Economic
Development
And Trade

# Alberta Investment Guide

Alberta
CANADA

OPPORTUNITY

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# THE ALBERTA INVESTMENT GUIDE
(Reference Report)

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## NOTICE

The Alberta Investment Guide is a reference report based upon information given to, but not verified by, the Industry Development Division of Alberta Economic Development & Trade. The material herein is offered for your consideration, information, investigation and verification. The Government of Alberta disclaims any responsibility or liability whatsoever for costs or damages that a person may suffer in any manner whatsoever by depending on any part or all of the information contained herein.

# ALBERTA - OPPORTUNITY UNLIMITED

## OPPORTUNITY UNLIMITED - A Diverse Economy

Alberta has a diverse economy that has unlimited investment potential. Leading and emerging industries in the province include:

- agriculture
- oil and gas
- chemicals and chemical products
- food processing
- forestry products
- tourism
- electronics and aerospace industries
- computer software and engineering services
- advanced materials and plastics
- consumer products
- high tech related products and services
- film industry

## OPPORTUNITY UNLIMITED - Investment Appeal

Alberta welcomes and encourages investment. This positive investment climate features:

- low personal income tax rate
- low corporate tax rates
- forgiveness of provincial corporate tax for qualifying small manufacturing businesses
- assured supply of competitively priced energy resources
- a highly trained work force
- labour stability
- political stability
- a government committed to free enterprise
- government encouragement of foreign investment
- government support of world class research facilties in science and technology
- easy transportation and communications access
- large financial center
- availability of industrial land
- no retail sales tax

OPPORTUNITY UNLIMITED - Quality of Life

Alberta has one of the highest standards of living in the world which is exemplified by:

- first class elementary and secondary school system
- outstanding advanced education institutions
- excellent health and medical care, covered by provincial insurance plan
- legislation for the protection of the environment
- National and Provincial Parks which provide the finest skiing, hiking, golfing and camping in the world
- site of 1978 Commonwealth Games and 1988 Winter Olympics
- vibrant city life
- live theatre, dance, opera and symphony orchestras
- professionals sports

## ALBERTA'S ECONOMIC STRATEGY

The Alberta Government has encouraged economic growth by pursuing policies that build on our strengths, that remove impediments and overcome constraints, and that sustain a stable investment climate and recognize the vital role of the private sector. Several of the more important elements of the Alberta Government's approach to economic development can be briefly stated as follows:

- o Establishing the Alberta Heritage Savings Trust Fund which has provided the financial means to undertake initiatives that further enhance Alberta's attractiveness as a place to invest.

- o Maintaining a competitive tax regime for the province's business community, with current tax rates on small business and manufacturing and processing income being among the lowest in Canada.

- o Establishing an extensive infrastructure in transportation, communications, education, and health care - all of which are essential to economic growth and diversification.

- o Developing world class facilities in science and technology such as the Electronics Test Centre; the Alberta Microelectronic Centre; the Alberta Research Council; and the Alberta Heritage Foundation for Medical Research.

- o Developing world class facilities for tourism including heritage attractions such as the Tyrrell Museum of Palaeontology and the Head-Smashed-In Buffalo Jump World Heritage Site, and recreational features such as Kananaskis and the Winter Olympics sites.

- o Providing financial assistance to small businesses where the marketplace has not responded to their needs. Examples include the Small Business Term Assistance Plan; the Alberta Farm Credit Stability Program; the Alberta Opportunity Company and the Alberta Agricultural Development Corporation.

- o Encouraging the formation of venture capital pools as sources of equity capital and liquidity for Alberta businesses. Several examples are the Small Business Equity Corporations Program, Vencap Equities Ltd., and the Alberta Stock Savings Plan.

- o Promoting the development of export markets for Alberta goods and services through programs such as the Market Development Assistance Program; the Loan Guarantee Program for Alberta Exporters; and the Export Services Support Program.

In addition to the province's own initiatives, the Alberta Government has pursued a number of joint planning and coordination agreements with the Federal Government. The Canada/Alberta Economic and Regional Development Agreement (ERDA) signed in June, 1984 has established a framework for increasing federal/provincial cooperation in realizing the economic and regional development potential of the Province of Alberta. A number of specific initiatives have been undertaken under the ERDA umbrella in the areas of forestry, agricultural processing, northern development, tourism, science and technology, and transportation.

# FOREIGN INVESTMENT IN ALBERTA

Foreign investment has played a significant role in the development of Alberta's economy, and this is expected to be the case in the future. Foreign capital fostered an agricultural export economy in the first part of the century and allowed for the rapid development of the petroleum and chemical industries following the Second World War. Many of Alberta's future development prospects - oil sands, coal mining, petrochemicals, high technology and forestry - are capital intensive. Alberta welcomes and encourages foreign investment which will be beneficial to the province.

## Investment Canada

The Investment Canada Act recognizes that investment is central to economic growth and the key to technological advancement. Recently, Canada's regulations regarding foreign investment have been greatly liberalized through the Investment Canada Act.

The Act establishes an Agency, Investment Canada, with a mandate to encourage and facilitate investment. The establishment of a new business by a foreign investor requires only that the investor notify Investment Canada of his investment within 30 days of implementation.

Acquisitions of small Canadian businesses are not subject to review. The review threshold is $5 million for direct acquisitions, and $50 million for indirect acquisitions.

The only exceptions to the above are investments which fall in sensitive sectors. These include:

- books, magazines, periodicals or newspapers,
- film or video products,
- audio or video music recordings, and
- music in print or machine readable form.

Investments in the above sectors will be reviewed if the Governor in Council deems it is related to Canada's cultural heritage or national identity.

## Other Investment Canada Services

Investment Canada was created to facilitate the investment process. Investment Canada can give you useful and timely information on Canadian industry and commerce, including:

- markets in Canada and markets accessible from Canada;
- trade services;

- energy;
- transportation and communications;
- technological capabilities;
- labour;
- banking and finance;
- inactive programs;
- joint ventures and licensing in Canada; and
- planning business trips.

For more detailed information on Investment Canada contact:

Investment Canada
5th Floor W, 240 Sparks Street
P.O. Box 2800, Station D
Ottawa, Ontario, Canada
K1P 6A5
Phone: (Toll Free) 1-800-267-0490
Telex: 053-4450

OR

Policy Development Branch
Alberta Economic Development & Trade
9th Floor, Sterling Place
9940 - 106 Street
Edmonton, Alberta
T5K 2P6
Phone: (403) 427-3627

## BUSINESS IMMIGRATION PROGRAM

From the investment promotion perspective, business immigration deals with entrepreneurs and investors from abroad.

The federal immigration system grants immigration status to a business immigrant who invests in a job-generating business in Canada. The federal criteria for entrepreneurial immigration require that the applicant:

1) has a relevant business background;

2) has the intent and ability to invest in a business venture whereby employment opportunities will be continued or created for one or more Canadian residents other than the applicant and his dependents;

3) upon approval, the applicant has to reside in the Province, and assume active management roles in the operation of the business.

In Alberta, entrepreneurial immigrants are encouraged to establish businesses in these areas: manufacturing; food processing; services; merchandise wholesaling, retailing, or distributing enterprises.

Passive investment which is designed to collect interest, dividends, or rent from existing properties, lend money, or speculate on real estate are not currently eligible under the program.

Under the Investor Category qualified business immigrants must have a personal net worth of at least $500,000, and be willing to invest a minimum of $250,000 in a provincially approved project.

The Federal Government refers business proposals to the province in which they are to be located. The province makes recommendations with respect to the viability of the business plan. The final approval of the application rests with the Federal Government based on the provincial recommendations and the applicant's ability to pass the normal points system and health and security checks as required under the Canadian immigration laws.

Additional information can be obtained from:

Alberta Career Development and Employment
12th Flr., Park Square
10001 Bellamy Hill
Edmonton, Alberta T5J 3W5
(403) 427-0537

## CORPORATE TAXATION

### Corporate Income Tax Rates

In Canada corporate income tax rates vary depending on the type of business or businesss activity and on the net income of the company. The following paragraphs describe tax treatment in Alberta. The subsequent section discusses other provisions of the Income Tax Act, such as capital cost allowances (the tax system analog of depreciation) and capital gains.

The small business tax rate applies to the first $200,000 of pre-tax net income. Companies which do not exceed this amount qualify for the lower small business corporations tax rate outlined below, but it should be noted that all companies may utilize the lower rate on the first $200,000 of pre-tax net income. Manufacturing and processing corporations are eligible for lower tax rates on net income. The general business rate applies to companies that are not eligible for these special rates.

The current federal corporate tax rates are 35% for general business, 28% for manufacturing and processing corporations, 14% for small business corporations, and 8% for small manufacturing and processing corporations. A federal corporate surtax of 3% applies to federal tax payable, making the above basic rates 36.05% (i.e., 35% x 1.03 = 36.05%), 28.84%, 14.42% and 8.24%, respectively. The following table adds on the provincial corporate tax rates for Alberta, British Columbia, Ontario, Quebec and Saskatchewan.

### INTERPROVINCIAL COMPARISON OF CORPORATE TAX RATES

Combined Federal/Provincial Income Tax
Including Corporate Surtaxes (%)

| | General Business (a) | Manufacturing & Processing Corps.(b) | Small Businesses Corporations (c) | Small Manufacturing & Processing Corporations (c) |
|---|---|---|---|---|
| Alberta | 51.05 | 37.84 | 19.42 | 8.24 |
| British Columbia | 51.05 | 43.84 | 25.42 | 19.24 |
| Ontario | 50.55/51.55 | 44.34 | 14.42/24.42 | 8.24/18.24 |
| Quebec | 41.95/49.95 | 34.74/42.74 | 14.42/17.64 | 8.24/11.46 |
| Saskatchewan | 53.05 | 45.84 | 14.42/24.42 | 8.24/18.24 |

(a) In Ontario, the lower general business rate applies to all primary industries. In Quebec, the lower rate applies to active business income (non-active businesses are professional firms, investment companies, or personal service firms).

(b) In Quebec, the lower manufacturing and processing corporate rate applies to active business income.

(c) The lower small business rates in Ontario, Quebec and Saskatchewan apply to new start-up businesses.

## Other Provisions of the Income Tax Act

Expenses incurred in the normal course of operating a business are fully deductible from the revenues of the business. For example, these would include wages and salaries, cost of sales, office expenses, freight costs, and interest expenses for loans.

Only half of capital gains are included in a corporation's income at present, the remainder being tax exempt. Investment tax credits (ITC) are available at a rate of 5% of the expenditures on qualifying buildings, machinery and equipment, to be used in Canada for activities such as logging, farming, fishing or manufacturing. Research and development tax incentives are also available as special ITC's and are fully described in another section of this guide.

Federal capital cost allowance (CCA) rates are frequently treated differently from financial statement depreciation costs as defined by generally-accepted accounting principles and apply to all types of Canadian businesses. For example, manufacturing equipment is allowed 25% writeoff in the first year, 50% in the second and 25% in the third for tax purposes.

## Tax Reform

In June 1987, the federal Minister of Finance released documents proposing a reform of the Canadian tax system. The general effects on businesses will be to lower the tax rates, while either reducing the rates of allowable deductions (in the case of CCA) or eliminating them altogether. The next revision of the Alberta Investment Guide (available in March 1988) will contain a full description of the changes in the tax system after implementation of tax reform.

## Retail Sales Tax

There is no retail sales tax in Alberta. The following table shows the retail sales tax rates in five Canadian provinces:

| | Retail Sales Tax Rate (%) |
|---|---|
| Alberta | 0.0% |
| British Columbia | 6.0 |
| Ontario | 7.0 |
| Quebec | 9.0 |
| Saskatchewan | 5.0 |

For further information contact:

Financial Sector
Alberta Economic Development & Trade
10th Floor, Sterling Place
9940 - 106 Street
Edmonton, Alberta T5K 2P6
CANADA
Phone: (403) 427-2005

## PERSONAL TAXATION

All other provinces in Canada have higher personal income tax rates than Alberta. The following table compares five of the basic provincial rates.

Provincial 1987 Personal Tax Rates

| | Basic Rate (a) |
|---|---|
| Alberta | 46.5% |
| British Columbia | 51.5% |
| Ontario | 50.0% |
| Quebec | 70.0-85.0% |
| Saskatchewan | 50.0% |

(a) Basic rate is expressed as a percentage of basic federal tax. Alberta has an additional 1% tax on taxable income and a high income surtax of 8% on basic Alberta tax in excess of $3,500. Saskatchewan has an additional 1.5% tax on net income and a high income surtax of 12% on Saskatchewan tax in excess of $4,000. Ontario has a 3% high income surtax on Ontario tax in excess of $5,000. Quebec's personal income tax rate expressed as a percentage of basic federal tax for middle income individuals is in the 70% to 85% range.

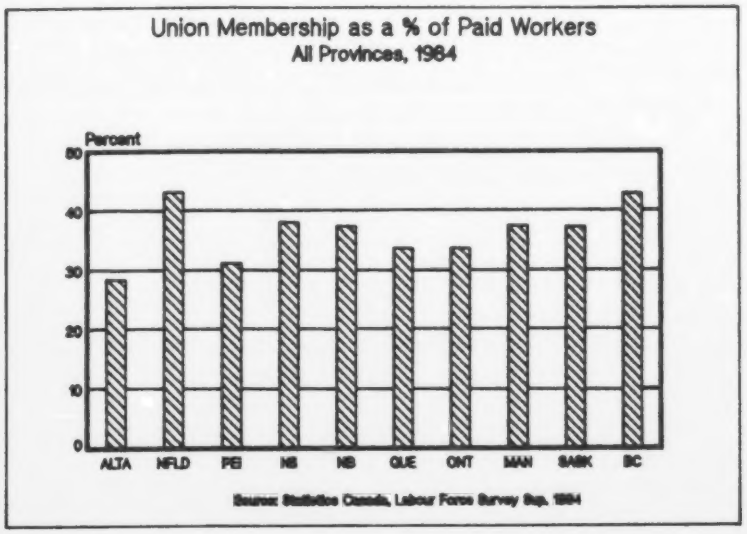
There are a number of tax deductions and tax credits which serve to reduce taxable income and tax payable, respectively. For example, the full amount of any contributions to a "registered retirement savings plan" may be deducted from income to a maximum of either $7,500 or 20% of earned income, whichever is less. Tuition fees paid to certified educational institutions are deductible, as are charitable donations to a maximum of 20% of net income.

There are tax incentives associated with investing. Investment tax credits are available for purchases of qualifying buildings, machinery and equipment, to be used in Canada for activities such as farming, fishing, logging or manufacturing. In another section of this guide, there is a detailed description of special investment tax credits associated with expenditures on research and development projects.

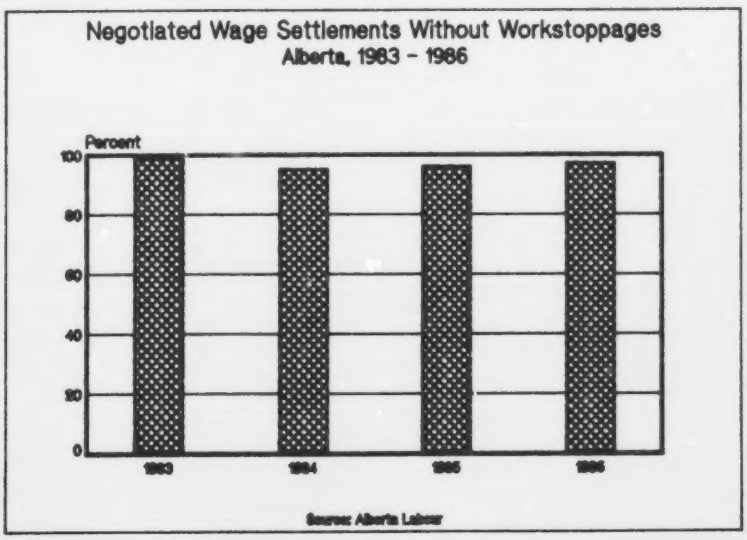
## LABOUR RELATIONS CLIMATE

Alberta has long had a stable labour relations system. While inevitably labour disputes arise from time to time, labour and management have often been very innovative in finding solutions to sometimes difficult issues.

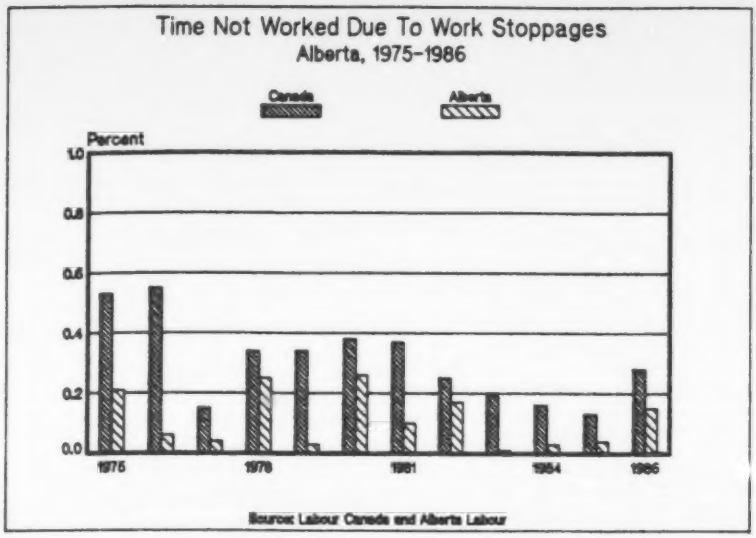
Some indicators of the labour relations climate are presented in the graphs below.




Union membership in Alberta as proportion of paid workers is lowest among Canadian provinces.

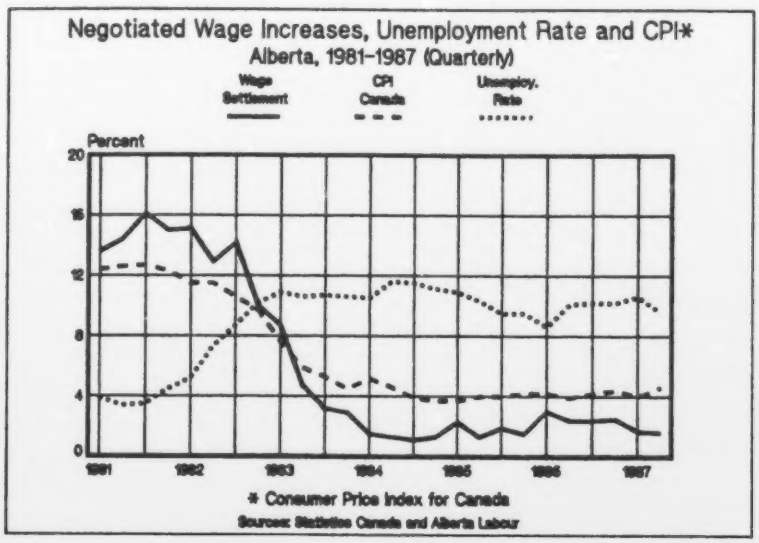



The vast majority of labour negotiations result in a settlement without recourse to strike or lockout.




Since 1975 time lost due to strikes or lockouts has not exceeded 0.6 percent of time worked in Canada nor 0.3 percent in Alberta.

Workers in Alberta have consistently experienced less time loss than the Canadian average. In many years the difference has been dramatic.




Average percentage increases in negotiated wage settlements since early 1983 have been consistently lower than increases in the Consumer Price Index.

## COMPARATIVE LIVING
## COST SUMMARY

The following traces the expenditure pattern of a family of four, with two incomes. Total income is $43,125 and one wage earner makes half as much as the other. The two children are teenagers.

LIVING COST SUMMARY - 1987

| | Montreal | Ottawa | Toronto | Winnipeg | Edmonton | Vancouver |
|---|---|---|---|---|---|---|
| Gross Income | 43,125 | 43,125 | 43,125 | 43,125 | 43,125 | 43,125 |
| Total Prov/Fed Income Taxes[a] | 13,726 | 11,152 | 11,152 | 11,916 | 10,524 | 11,025 |
| Disposable Income After Tax | 29,399 | 31,973 | 31,973 | 31,209 | 32,601 | 32,100 |
| Utilities | 1,607 | 1,410 | 1,335 | 1,413 | 1,119 | 863 |
| House Maintenance, Telephone, Insurance | 1,054 | 1,052 | 1,098 | 890 | 970 | 1,083 |
| Food | 5,632 | 5,444 | 5,936 | 5,475 | 5,886 | 5,999 |
| Transportation | 4,100 | 3,799 | 3,917 | 3,514 | 3,812 | 4,042 |
| Clothing | 2,600 | 2,717 | 2,822 | 2,722 | 2,657 | 2,629 |
| Household Goods | 1,447 | 1,361 | 1,366 | 1,318 | 1,358 | 1,323 |
| Sundries | 3,364 | 3,358 | 3,482 | 3,432 | 3,243 | 3,491 |
| Total Living Costs[b] | 19,804 | 19,141 | 19,956 | 18,764 | 19,045 | 19,430 |
| Net Income After Taxes & Living Costs | 9,595 | 12,832 | 12,017 | 12,445 | 13,556 | 12,670 |

a) Provinical taxes include retail sales tax, health care charges, payroll tax, gasoline tax, tobacco tax, and selected license fees. (Note: Alberta has no payroll or retail sales tax). Federal taxes include $1656 this family would pay in every province for social security programs such as unemployment insurance and Canada Pension Plan.

b) Does not include house payments or property taxes.

SOURCE: Estimated by Economic Development & Trade, based upon data from the Conference Board of Canada, Statistics Canada (Cat. 62-010, 62-001) and The Canada Tax Foundation.

## HOUSE PAYMENTS AND PROPERTY TAXES

| | Montreal Longueuil | Ottawa Western | Toronto Mississauga | Winnipeg St. James Assiniboia | Edmonton West End | Vancouver Burnaby |
|---|---|---|---|---|---|---|
| Average Selling Price October 1986 | $71,000 | $112,000 | $144,850 | $94,000 | $82,000 | $116,000 |
| Down Payment | 30,000 | 30,000 | 30,000 | 30,000 | 30,000 | 30,000 |
| Mortgage @ 11% | 41,000 | 82,000 | 114,850 | 64,000 | 52,000 | 86,000 |
| Principal, Int. Payments | 4,822 | 9,648 | 13,483 | 7,526 | 6,115 | 10,114 |
| Property Taxes | 1,700 | 1,700 | 1,676 | 2,000 | 1,300 | 1,700 |
| Annual Cost | 6,522 | 11,348 | 15,159 | 9,526 | 7,415 | 11,814 |

SOURCE: Royal Trust - Survey of House Prices, Fall 1986

## NATURAL GAS COSTS

The table below illustrates the unit cost of natural gas in major Canadian cities.

| | Firm Service Unit Cost -$/gigajoule |
|---|---|
| Edmonton | 2.53 |
| Vancouver | 3.87 |
| Winnipeg | 4.21 |
| Toronto | 4.25 |
| Montreal | 4.95 |
| Regina | 3.36 |

SOURCE: Energy Pricing News, January 1987

## TOTAL EXPENDITURES ON SCIENTIFIC ACTIVITIES BY THE ALBERTA GOVERNMENT BY ACTIVITY 1978-79 to 1986-87

| | Research & Development | | Related Scientific Activities | | Scientific Activities | |
|---|---|---|---|---|---|---|
| Year | Expenditure ($'000) | Annual Change (%) | Expenditure ($'000) | Annual Change (%) | Expenditure ($'000) | Annual Change (%) |
| 1978-79 | 62 896 | -- | 19 699 | -- | 82 595 | -- |
| 1979-80 | 83 254 | 32.4 | 27 087 | 37.5 | 110 341 | 33.6 |
| 1980-81 | 79 284 | -4.8 | 35 506 | 31.1 | 114 790 | 4.0 |
| 1981-82 | 94 745 | 19.5 | 57 516 | 62.0 | 152 261 | 32.6 |
| 1982-83 | 117 096 | 23.6 | 70 590 | 22.7 | 187 686 | 23.3 |
| 1983-84 | 128 624 | 9.8 | 78 754 | 11.6 | 207 378 | 10.5 |
| 1984-85 | 155 099 | 20.6 | 85 070 | 8.0 | 240 169 | 15.8 |
| 1985-86 | 136 011 | -12.3 | 88 375 | 3.9 | 224 485 | -6.5 |
| 1986-87[e] | 165 119 | 21.4 | 87 342 | -1.2 | 252 461 | 12.5 |
| 1978-79 to 1985-86 % change | -- | 116.2 | -- | 348.6 | -- | 171.8 |

e - estimates prior to decisions on fiscal restraint in the 1986/87 fiscal year.

DEFINITIONS

Scientific activities are those activities which involve the generation, dissemination and initial application of new scientific and technological knowledge. These activities include both research and development activities and related scientific activities.

a) Research and development activities are defined as creative work undertaken on a systematic basis towards the acquisition and application of new scientific and technological knowledge.

b) Related scientific activities are activities ancillary to research and development, which do not include the acquisition of new knowledge. The include such activities as educational support, statistical surveys, information services and museum services.

## SCOPE OF DATA

The survey results include only information on expenditures for those scientific activities directly funded by the provincial government. They do not include scientific activities funded by the private sector, federal and municipal governments, the universities or the Alberta Heritage Foundation for Medical Research. Scientific activities funded through the operating grants to universities are also excluded.

## PERFORMERS OF RESEARCH AND DEVELOPMENT

Industry performed most of the research and development activities supported by the Alberta Government (32.7%). The Alberta Government performed 13.3% of the research and development activities while the Alberta Research Council performed 27.8%.

The major performers of research and development within the Alberta Government were Agriculture (18.5%), Environmental Centre (27.1%) and AOSTRA (19.1%).

## APPLICATION OF RESEARCH AND DEVELOPMENT

In 1985-86, 97.3% (or $132 million million) of the Alberta Government's expenditures on research and development were in natural sciences. Approximately 40% of these expenditures (or $53 million) were in the area of energy and fuels.

In 1985-86, 2.7% or ($3.6 million) of the Alberta Government's expenditures on research and development were in social sciences. Approximately 60% of these expenditures (or $2.2 million) were in the area of social development and related activities.

Overall, 38.7% (or $52 million) of the total Alberta Government's expenditures on research and development were in the area of energy and fuels.

SOURCE: Research and Information Support
Alberta Advanced Education

## RESEARCH AND DEVELOPMENT
## TAX INCENTIVES

Corporations and individuals which conduct scientific research and experimental development qualify for special tax treatment in respect of those expenditures. Because of the elimination of the Scientific Research Tax Credit in 1985, qualifying expenditures in respect of R & D, net of any government or non-government assistance received in respect thereof, are now claimed under the category of special investment tax credits (ITC).

Qualifying Canadian Controlled Private Corporations (CCPC) which had taxable income of $200,000 or less in their immediately preceding taxation year and individuals will earn ITC's at a rate of 35% on the first $2,000,000 of qualified expenditures on R & D. Amounts in excess of $2,000,000 will earn ITC's at a rate of 20%. Other taxpayers earn ITC at a rate of 20% on all R & D expenditures. The $200,000 and $2,000,000 limits must be shared by associated corporations.

To qualify as CCPC, the corporation must not be controlled directly or indirectly, in any manner whatsoever, by one or more non-resident persons, one or more public corporations, or any combination of non-residents and public corporations. As long as 50% or more of the corporation's shares are held by a resident of Canada, a Canadian private company or any combination of these, none of which are controlled by non-qualifying individuals or companies, the corporation will be a CCPC under the provisions of the Income Tax Act.

To qualify for tax benefits, the R & D expenditures must relate to scientific research, which is defined as a "systematic investigation or search carried out in a field of science or technology by means of experiment or analysis". The definition is broken down into three areas:

Basic Research - work undertaken for the advancement of scientific knowledge without a specific practical application in view.

Applied Research - work undertaken for the advancement of scientific knowledge with a specific practical application in view.

Development - the use of the results of basic or applied research for the purpose of creating new, or improving existing materials, devices, products, or processes. Routine engineering or routine development does not qualify as R & D.

Revenue Canada, Taxation has published an information circular (No. 86-4) that provides a detailed guide to the identification of eligible R & D expenditures. Also relevant to the determination of qualifying R & D expenditures are the bulletins "Scientific Research Expenditures and Allowance" (IT-151R2) and "Investment Tax Credit" (IT-331R).

It should be noted that the expenditures eligible for tax write-off under this program will represent only part of the total cost of developing a new product and bringing it to market.

Expenditures that are normal operating expenses of a taxpayer, such as the cost of market research or surveys of customer acceptance, are not classified as "scientific research", but are deductible as ordinary expenses (see the bulletin "Expenditures on Research and for Business Expansion" (IT-475)).

Eligible expenditures include those incurred for and all or substantially all of which are attributable to the prosecution of scientific research and experimental development. Both current and capital expenditures incurred in Canada will qualify.

Current expenditures for direct costs of personnel who, while not solely involved in R & D, do directly perform R & D part of the time, or provide support services for R & D personnel, or directly supervise researchers, will be allowed as a qualifying expenditure on a prorated basis.

A capital expenditure made in Canada for equipment will qualify for R & D deduction despite any minor or incidental use of the equipment on other than R & D activities.

Corporations and individuals eligible to earn ITC at the 35% rate are eligible to receive a 100% cash refund in the amount of ITC earned at that rate. This refund mechanism is an important source of financing for smaller R & D corporations.

For ITC's earned by these corporations at the 20% rate (on expenditures in excess of $2,000,000), to the extent the expenditures were made between April 20, 1983 and April 30, 1986, the ITC's will be eligible for a 40% refund. There is no similar April 30, 1986 deadline pertaining to the 100% refund.

Other corporations (those earning ITC's at the 20% rate) which made R & D expenditures between April 20, 1983 and April 30, 1986 will qualify for a 20% cash refund on those ITC's.

The February 26, 1986 Federal Budget proposed to extend this April 30, 1986 deadline to December 31, 1988. The Budget also proposed that investment tax credits in areas other than research and development would be phased out over a three year period, but would remain unchanged as they relate to the R & D area.

For taxation years ending after May 31, 1985 a taxpayer must file a prescribed form (Form T-661) with its annual income tax return to support the claim for R & D expenditures.

The following table illustrates in general terms the tax advantage to corporations for incremental R & D expenditures of $1,000:

| | ALBERTA | |
|---|---|---|
| | CCPC(1) | Other |
| Expenditure | $1,000 | $1,000 |
| Investment Tax Credit | 350 | 200 |
| Tax Expense(2) | 325 | 400 |
| After Tax Cost | $325 | $400 |

(1) The 35% tax credit is available to Canadian Controlled Private Corporations only under certain circumstances as outlined earlier.

(2) A 50% marginal tax rate has been used to simplify the illustration.

An individual incurring eligible research and development expenditures and who is in a 50% marginal tax bracket would be in the same position as the CCPC above.

Those wishing to proceed with R & D programs or offerings to the public will require the services of professional tax and legal advisors to ensure project eligibility and to assess the associated income tax aspects.

To acquire interpretation bulletins or for other questions contact:

Revenue Canada, Taxation
Information Services
875 Heron Road
Ottawa, Canada
K1A 0L8

SOURCE: Deloitte Haskins & Sells; Financial Sector, Alberta Economic Development and Trade.

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SELECTED FEDERAL GOVERNMENT

ASSISTANCE PROGRAMS
AND SERVICES

## WESTERN DIVERSIFICATION OFFICE

The Western Diversification Office (WDO) was established by the Federal Government in August 1987 to promote the diversification of the Western Canadian economy. The WDO has a mandate to:

- coordinate and communicate all federal programs and activities that contribute to the economic development and diversification of the West;
- support business infrastructure to further the economic development and diversification of the Western economy;
- undertake activities that will facilitate the creation of new enterprises and businesses consistent with our evolving international trade policy; and
- represent the interests of Western Canada in the development of national policies and the design of national programs, and to ensure that Western Canada is effectively linked to decision-making in Ottawa.

The WDO will also administer the $1.2 billion Western Diversification Fund. The fund is intended to promote economic diversification by helping to support worthwhile projects in every sector of the Western Canadian economy.

The fund will be used to enhance the business climate in the West, including promoting the competitiveness of established enterprises, and facilitating the establishment of new enterprises. This will be done both by the creation of new programs drawing on the fund, and in conjunction with current programs operated by the Department of Regional Industrial Expansion transferred to the Western Diversification Office. (CONTACT: Western Diversification Office, 604, 10179-105 Street, Edmonton, Alberta, T5N 3N1, 420-2944)

### Business Information Centres

Business Information Centres provide a regional source of information on all federal and provincial government programs and services available to Canadian business and industry. Each centre is staffed with trained personnel who can either provide immediate answers to enquiries or arrange to have an appropriate official provide the required information. There are ten Business Information Centres in Canada, with one in each province. A toll free information "hot-line" connects the business community with the nearest centre. That toll free number is Zenith 0-3200. In Edmonton, phone 420-2952.

Canadian International Development Agency (CIDA) - Industrial Cooperation Program

The purpose of this program is to stimulate increased participation by the Canadian private sector in the industrial development and growth of developing countries through joint ventures and other forms of business collaboration which provide benefits to both Canada and the developing countries. The program provides support for starter studies and for viability studies. Starter studies are preliminary analyses of opportunities and viability studies are in-depth anaylyses of project possibilities designed to lead directly to investment decisions. (Industrial Cooperation Division, CIDA, Place du Centre, 200 Promenade du Portage, Hull, Quebec, K1A 0G4).

Counselling Assistance for Small Enterprise (CASE)

CASE is a management counselling service which assists owners and managers of business enterprises, particularly those of small size, to improve their methods of doing business. Retired business persons perform the counselling services.

The only cost is a nominal daily fee for each counsellor assigned. Eligibility: any proprietorship, partnership, or limited company conducting virtually any type of business enterprise in Canada can apply, providing that the enterprise does not have more than 75 full time employees and has had prior discussions of its problems with its appropriate business advisor. (Federal Business Development Bank, 606 Principal Plaza, 10303 Jasper Avenue, Edmonton, Alberta T5J 3N6 (403) 420-2277).

Defence Industry Productivity Program (DIP)

The purpose of the Defense Industry Productivity Program is to assist, develop, and sustain technological capability of Canadian industry primarily for the purpose of defence export sales and also for civil export sales resulting from this capability. Type of assistance available:

(a) Research and Development - research and development of defence-related products and for sustaining the associated technology base.

(b) Source Establishment - to establish qualified Canadian suppliers of defence-related products.

(c) Capital Assistance - to acquire advanced production equipment to modernize or upgrade engineering and/or manufacturing capability in Canada for defence-related products.

(d) Market Feasibility - studies to establish the specifications and characteristics of defence-related products required to meet market demand or to determine market sector characteristics for those products when needs have been identified in Canadian or export markets.

Eligibility: Any individual, partnership, association, institution or corporate body involved in a project related to the development, manufacture or support of defence-related products. (Defence Industry Productivity Program, Department of Regional Economic Expansion, 235 Queen Street, Ottawa, Ontario K1A OH5; or Regional Manager, Department of Regional Industrial Expansion, The Cornerpoint Building, 5th Flr., 10179 - 105 Street, Edmonton, Alberta T5J 3S3 (403) 420-2944).

Drawbacks - National Revenue - Customs & Excise

The most direct method Customs and Excise has of financially assisting Canadian businessmen is through the payment of customs drawbacks.

This is a program whereby customs duty and taxes are returned on certain imported products that have been used or disposed of in a manner that qualifies them under any of the areas of drawback. The customs drawback program would mainly be of interest to Canadian businessmen who import goods and materials to be further manufactured and exported. Eligibility: the possibility of a business qualifying for drawback should be discussed with a member of Customs and Excise. (Manager, Drawbacks, Remissions and Refunds Unit, Custom and Excise, Box 2910, 220 - 4th Avenue SE, Calgary, Alberta (403) 292-4637 or 292-4617).

Export Development Corporation

Canadian firms of any size can insure their export sales against non-payment by foreign buyers. EDC normally assumes 90% of the commercial and political risks involving insolvency or default by the buyer as well as blockage of funds, war or rebellion, cancellation of import licenses, and the like, in a foreign country, and cancellation of export permits in Canada. Insurance is available to cover sales of general commodities and services normally made on short credit terms of up to 180 days and capital goods and services, normally made on medium term credit of up to five years. Eligibility: any person operating a business in Canada and exporting Canadian goods and/or services from Canada.

EDC arranges medium and long term loans, either by separate loan agreements or by confirmed lines of credit, for foreign buyers of Canadian capital goods and services. Funds are paid directly to Canadian exporters, in effect providing the exporter with cash sales. In order to assist smaller capital goods exports requiring medium term credit, EDC is prepared to discount promisary notes, in a form acceptable to EDC, received by Canadian exporters from their foreign customers. This facility is available where competitive conditions make it impossible to conclude the transaction with normal bank financing. EDC cooperates with banks and other financial institutions, in the form of parallel loans, co-lending and participation in EDC loans. EDC may also provide a loan guarantee to a bank or other financial institution which provides a loan to a foreign buyer of Canadian capital goods or services.

More specifically, the EDC:

- provides 100% unconditional guarantees to banks that provide performance and bid-related securities in the form of an irrevocable letter of credit in favour of the buyer. Eligibility: exporters.

- issues 100% unconditional guarantees to banks and other lenders who provide non-recourse financing in respect to an EDC insured sale of capital goods (supplier credit), or who make loans to buyers of Canadian capital goods and services (buyer credit). Eligibility: exporters.

- provides insurance to cover failure of a buyer/borrower to authorize EDC to disburse loan funds in payment for goods produced or services rendered. Eligibility: exporters, suppliers, all related industries.

- provides insurance to cover a portion of the risk assumed by a domestic surety company providing a performance bond to a foreign buyer. Eligibility: exporters, lending institutions, related industries.

Eligibility: EDC considers all projects which, on their own merits and within internationally accepted practices, normally justify medium and long term loans and provide significant benefits to Canada.

In Calgary: Mr. Richard B. McCorkindale,
Manager, Alberta District
Suite #2140, Bow Valley Square #3,
255 - 5th Avenue SW
Calgary, Alberta T2P 3G6

(403) 294-0928

Federal Business Development Bank

Extends financial assistance to new or existing businesses in Canada through loan guarantees, equity financing and leasing, and assists management development through advice seminars in rural centres, conferences and training courses. Information services publishes and distributes booklets on a wide range of topics pertaining to small business, distributes bulletins on business developments and maintains reference libraries at branch offices with a variety of publications on small business management (see also Counselling Assistance to Small Enterprises (CASE)). Eligibility: most Canadian companies, particularly small business. (Federal Business Development Bank, 606 Principal Plaza, 10303 Jasper Avenue, Edmonton, Alberta T5J 3N6 (403) 420-2277). (FBDB (Calgary) 3015 - 12 Street NE, Calgary, Alberta T2E 7J2 (403) 291-4700).

Federal Industry Sector Branches

The Department of Regional Industrial Expansion has as its prime point of contact with industry the following industry sector branches:

o Automotive, Marine and Rail Branch (613-954-3798)
o Electronics and Aerospace Branch (613-954-3340)
o Machinery and Electrical Equipment Branch (613-954-3271)
o Resource Processing Industries (613-954-2879)
o Food and Consumer Products Industries (613-954-3580)
o Service Industries (613-954-2990)
o Textile, Clothing and Footwear Branch (613-954-2848)

The branches primary responsibilities are to:

- promote growth and competitiveness in the manufacturing processing and service sectors;

- act as contacts for the manufacturing and processing industries and selected service sectors in their dealings with the federal government;

- deliver departmental programs and services and ensure that Canadian enterprises obtain the optimal benefits from assistance and incentive programs administered by DRIE and other government departments and agencies, assist Canadian business in the identification and exploitation of both domestic and export market opportunities and safeguard business interests in international markets.

CONTACT: Regional Executive Director, Department of Regional Industrial Expansion, Suite 505, Cornerpoint Building, 10179 - 105 St., Edmonton, Alberta, T5J 3S3, (403) 420-2944; Calgary office: #630, 220--4th Avenue S.E., Calgary, Alberta T2G 4X3, (403) 292-4575.

Industrial & Regional Development Program (IRDP)

The objective of the IRDP is to promote regional industrial development through the support of private sector initiatives with particular emphasis on projects, industries and technologies with the greatest potential for economic return, sustained growth and international competitiveness. The program has four major elements:

1) INNOVATION - to encourage the development of new products and new processes, and to increase industrial productivity and international competitiveness.

2) ESTABLISHMENT - to assist in the establishment of new production facilities.

3) MODERNIZATION/EXPANSION - to increase industrial productivity through the improvement, modernization and expansion of existing manufacturing and processing operations.

4) MARKETING - to facilitate the identification, development and exploitation of new domestic and international market opportunities and to enhance competitiveness within existing markets.

Levels of assistance under this program varies by region in Alberta. Areas of the province are designated either as Tier 1, Special Tier 1, or Tier 2.

Census Division 12 (Bonnyville/St. Paul) - Special Tier I
Census Division 13 (Whitecourt/Athabasca) - Tier II
Census Division 14 (Hinton/Edson) - Special Tier I
Census Division 16 (Fort McMurray) - Special Tier I
All Other Census Divisions in Alberta - Tier I

| Element | Maximum Level of Assistance by Tier (per cent of eligible project costs) | | |
|---|---|---|---|
| | I | Special I | II |
| a. Innovation | 33.3 | 33.3 | 40 |
| b. Establishment | | | |
| a) Studies | N/A | 30 | 30 |
| b) Plant Establishment | N/A | 17.5 | 17.5 |
| c. Modernization/Expansion | | | |
| a) Studies | N/A | 30 | 30 |
| b) Modernization/Expansion | N/A | 17.5 | 17.5 |
| c) Microelectronics | N/A | 30 | 30 |
| d. Marketing | | | |
| a) Non-profit Organizations | 45 | 45 | 45 |
| b) Studies | 25 | 25 | 30 |

N/A - not applicable

NOTE: This Program ends June 30, 1988

CONTACT: Regional Executive Director, Department of Regional Industrial Expansion, Suite 505, Cornerpoint Building, 10179 - 105 St., Edmonton, Alberta, T5J 3S3, (403) 420-2944.

Industrial Research Assistance Program

IRAP is a National Research Council program that has been established by the federal government to further the economic development of Canada through encouragement of research and development and increased utilization of science and technology. There are several elements to this program including salary support for companies that hire science and engineering students. (CONTACT: Mr. A.W. Gilliland, 6815 - 8th St. N.E., Calgary, Alberta, T2E 7H7, (403) 297-2600).

International Investment Program

This program is administered by the Department of External Affairs, through 45 posts in 23 countries. These IDP posts are located mainly in Western industrialized countries with emphasis on the United States, Europe and Japan. Investment promotion activities include initiating and organizing seminars in the post of territory, missions to and from Canada, visits to Canada to prospective investors, advertising campaigns and a wide variety of related projects. (CONTACT: Investment Department Division, Department of External Affairs, Lester B. Pearson Bldg., Ottawa, Ontario K1A 0G2, (613) 996-9134).

National Research Council

The National Research Council has laboratories across the country that are organized along multi-disciplinary lines aimed at particular areas of application. Research is undertaken in areas such as biological systems and processes; the performance of machines and mechanical structures; control systems and automated processes. The NRC also administers are extensive programs of financial and technical support for industry. (National Research Council, Administration Building, Montreal Road, Ottawa, Ontario, K1A OR6, (613) 993-9101).

Program for Export Market Development (PEMD)

PEMD is designed to encourage established Canadian firms to enter new export markets and accept new competitive risks in existing export market areas. The Program is not intended to support normal export business activities either in maintaining an existing market abroad or in winning new business in a market where the supplier is already well established. Companies which succeed in developing export business with assistance under the Program must repay the share provided under PEMD. The Program is divided into eight areas:

Section A: Specific Project Bidding.
Section B: Market Identification.
Section C: Participation in Trade Fairs.
Section D: Incoming Buyers.
Section E: Export Consortia.
Section F: Establishment of Permanent Sales Offices Abroad.
PEMD Food: Development of export markets for agriculture, fisheries and food products.
PEMD Fish: Development of export markets for Atlantic groundfish and herring and for British Columbia fisheries.

(Department of Regional Industrial Expansion, 5th Flr., The Cornerpoint Building, 10179 - 105 St., Edmonton, Alberta, T5J 3S3, (403) 420-2944).

Small Business Loans Program

Assists small business in obtaining term credit from the chartered banks under a federal government guarantee of loans to a maximum of $100,000 made by an approved lender. Eligibility: Canadian businesses with gross revenue under $2 million. (Department of Regional Industrial Expansion, 5th Flr., The Cornerpoint Building, 10179 - 105 Street, Edmonton, Alberta T5J 3S3 420-2944, or any chartered bank).

## Special Investment Tax Credit Program

This is a federal program initially established in 1980 to promote investment in areas across Canada adversely affected by economic disparities. These areas are selected by the Federal Government on the basis of census divisions containing the 5 percent of the population suffering most from high unemployment and low per capita income. In Alberta, this program only applies in the Peace River region (Census Divisions 17, 18, 19), excluding the City of Grand Prairie.

All manufacturing and processing activities, as defined under the Regional Development Incentives Act, are eligible providing they are located within the specially designated areas. There is no project size limit, and the project can be a new facility, an expansion, or a modernization. Depreciable assets that meet the criteria of the Income Tax Act, such as buildings, machinery and equipment, are eligible if used primarily in manufacturing or processing.

The investment tax credit of 40 percent applies to the eligible costs of assets.

In any one year, the tax credit cannot exceed the lesser of:

- 40 percent of eligible capital costs incurred, or
- $15,000 plus one half of your remaining federal tax payable.

No prior approval of projects is required and the credit is automatic. The company simply claims the credit on the income tax return. If Revenue Canada requires verification of the eligibility of the activity, the Department of Regional Industrial Expansion will supply it.

## Statistics Canada

Statistics Canada has a national responsibility for collection and publishing statistical information needed by governments, industry, and the general public to understand Canadian social and economic conditions. A free catalogue listing its publications is available upon request. (Statistics Canada, HYS Centre, 215, 11010 - 101 Street, Edmonton, Alberta T5H 4C5 (403) 420-3027. Throughout Alberta the Edmonton office can be reached free of charge at 1-800-222-6400).

Technology Inflow Program

The Technology Inflow Program (TIP) seeks to facilitate the flow of foreign technology to Canada. Proposals for financial support are submitted from individuals or organizations in the private sector, as well as from provincial governments, universities, and federal departments and agencies. Proposals must have technical merit and the potential to obtain technology that will produce economic benefit for Canada. Financial assistance is usually in the form of travel costs, living expenses and, in special cases, salaries of foreign experts working in Canada. CONTACT: Manager, TIP Program, Department of External Affairs, 125 Sussex Drive, Ottawa, Ontario K1A 0G2, (613) 996-0971.

Western Transportation Industrial Development Program (WTID)

The WTID program is a federal government initiative that is mainly designed to assist manufacturers and processors in Western Canada to take advantage of the economic opportunities resulting from the decision to revise the Crow's Nest Pass rate and expand the western railway system. The WTID program is a $75 million five year program (expiring March 31, 1988) that is administered by DRIE. Program assistance is available for the following:

1) Feasibility Studies.

2) Projects that involve the development or design of technologically competitive products, processes or technical services.

3) Cost-shared capital costs for the establishment, expansion, modernization of facilities.

CONTACT: Mr. Trevor Charles, Department of Regional and Industrial Expansion (DRIE), 505, the Cornerpoint Building, 10179 - 105 St., Edmonton, Alberta, T5J 3S3, (403) 420-3325.

# SELECTED ALBERTA GOVERNMENT ASSISTANCE PROGRAMS AND SERVICES

## GENERAL ASSISTANCE PROGRAMS & SERVICES

### The Alberta Bureau of Statistics

The Alberta Bureau of Statistics is responsible for providing statistical information on economic and social conditions in the province. It collects, compiles, analyses and publishes information on business, labour, economics, industry, government administration, and other key areas. Births, marriages and deaths are registered by the Vital Statistics Division. Eligibility: public, business. (Alberta Bureau of Statistics, Information Services, 7th Flr., Administration Building, 10820 - 98 Avenue, Edmonton, Alberta T5K 0C8 (403) 427-3058). Vital Statistics, 4th Flr., 10405 - 100 Avenue, Edmonton, Alberta T5J 0A6 (403) 427-5857).

### Alberta Intermodal Services

Alberta Intermodal Services Limited (AIS) was established in 1986 by the Alberta Government. Its purpose is to provide Alberta exporters and importers with low inland transportation costs to and from the West Coast. AIS co-ordinates the movement of containers through the CP Rail system and through private truckers which transports to and from AIS facilities. AIS has marketing offices and storage yards located in Edmonton, Calgary, and Vancouver. The Alberta Government provided $33 million to AIS for the acquisition of container rail cars, storage yards for containers, highway trailers, and computer equipment for its distribution system. CONTACT: President, Alberta Intermodal Services (403) 234-7505.

### Alberta Opportunity Company

Alberta Opportunity Company (AOC) is a Crown Corporation intended to stimulate the establishment of new businesses and to assist in the expansion of existing enterprises. The Company may make loans, or guarantee loans of other lenders, and provide management counselling or other specialized services. AOC only lends money when conventional financing is not readily available. Emphasis is placed on Albertan-owned enterprises, on small businesses, on job-creating projects, and on businesses in smaller population centres. In 1986/87, AOC is expected to approve approximately 370 loans for a value of $34 million. CONTACT: Managing Director, A.O.C. (403) 421-7979.

## Alberta Stock Savings Plan

The Alberta Stock Savings Plan (ASSP) is intended to stimulate the provision of equity capital for new and growing Alberta companies through attracting new investors to the equity market. The ASSP is an investment vehicle that benefits investors by entitling them to a credit against Alberta tax payable, based on the purchase of eligible shares listed on the Alberta Stock Exchange. CONTACT: Director, Corporate Tax Administration, Alberta Treasury, (403) 427-9425.

## Business Counselling Services

Counselling services are available throughout the Province from experienced business analysts and business development representatives. Merchandising, marketing, financing and manufacturing are a few of the many areas where specialized counselling services are offered. CONTACT: Director-North, Regional Business Development Branch, Alberta Economic Development & Trade, (403) 427-3685.

## Business Immigration Program

The objective of the Business Immigration Program is to attract and facilitate the admission of business immigrants who will establish or make a significant investment in job creating business ventures which offer significant economic benefits to Alberta. This program is one of the programs administered by the Immigration Services section of Alberta Career Development and Employment. In 1986/87, the budget for Immigration Services was allocated $400,000. CONTACT: Director, Immigration Services, Alberta Career Development & Training, (403) 427-0537.

## Business Incubator Program

The Alberta Government provides financial assistance for the establishment of small business incubators in communities throughout Alberta. Business incubators are intended to nurture new small businesses in their formative years by providing services such as shared administrative support, business counselling assistance, management training and access to seed capital. The level of assistance available for incubator development will include funds for feasibility assessment and business plan preparation up to $25,000 or 50 percent of the eligible costs. The second element provides funds over three years to offset part of the operating deficit with the level of assistance determined by the size of the community to a maximum of $300,000. CONTACT: Regional Business Development Branch, Alberta Economic Development & Trade, (403) 427-3685.

## Business Opportunity Sourcing System (BOSS)

Business Opportunity Sourcing System (BOSS) is a computer based data system developed to promote Canadian business, its products and services by making this information known to all Canada's trade commissioners abroad and other federal and provincial industry officers across Canada. BOSS is also used as an information source for the production of appropriate DRIE directories, which are frequently the principal reference services. To be included in these directories, businesses should apply to the Department. (Department of Regional Industrial Expansion, Corporate Systems Branch, 235 Queen Street, Ottawa, Ontario K1A 0H5 (613) 992-9128) or (EDP Systems, Alberta Economic Development & Trade, 8th Flr, Sterling Place, 9940 - 106 Street, Edmonton, Alberta T5K 2P6 (403) 427-0675).

## Business Site Locations Program

Small Business Division representatives are available to help businesses find locations in Alberta compatible with their requirements. Where required, site tours can be arranged and information assembled on appropriate Alberta communities. CONTACT: Director, Business Locations, Alberta Economic Development & Trade, (403) 427-5267.

Canada/Alberta Northern Development Agreement

This is a $40 million cost-shared agreement between Alberta and the Federal Government that is intended to encourage greater economic development in Northern Alberta. The agreement has three major program elements that provides assistance to businesses and community organizations for the following: industrial and business development; human resource development; and community and regional infrastructure development. This is a five year agreement that expires March 31, 1991. This Agreement is administered by the Northern Development Branch of the Northern Alberta Development Council (NADC). CONTACT: Director, Canada/Alberta Northern Development Agreement (403) 624-6276.

Community Profiles

For rural location assistance, detailed community profiles are available which contain information on population, locations, transportation facilities, industrial land, utilities, building permits and other useful data. These profiles can be obtained from the Small Business and Industry Development Division of the Department of Economic Development and Trade, (403) 427-5267.

Export Services Support Program

The Export Services Support Program is intended to encourage Alberta businesses to more aggressively pursue specific projects outside of Alberta by financially assisting feasibility and other relevant studies that could eventually lead to contracts for Alberta goods and services. This $7 million program assists Alberta based firms to participate in areas of design, engineering, construction and manufacturing that could not otherwise be undertaken. Assistance will be provided by funding 50% of approved front-end costs to a maximum of $350,000 for each project, with a $600,000 ceiling for any one applicant at one time. CONTACT: Executive Director, Business Finance Development, Alberta Economic Development & Trade (403) 427-3300.

International Marketing Program

The Alberta International Marketing Employment Program was designed first, to provide Alberta businesses with an opportunity to hire post-secondary graduates who will work on a specific international marketing project, and second, to promote the development of export market operations for Alberta. The Alberta Government provides funding support on a cost-shared basis for wage and travel expenses of employees of employers who have demonstrated an international marketing capability for their products or services. This program is administered by Alberta Career Development and Training. In 1986/87, $625,000 was allocated to this program. CONTACT: Manager, Program Delivery, Alberta Career Development & Employment, (403) 427-8517.

## Loan Guarantee Program for Alberta Exporters

The Loan Guarantee Program for Alberta Exporters is intended to provide support to Alberta based businesses that are involved or intend to be involved in the export of their manufactured products outside of Alberta. The objective is to increase the financing available to Alberta based manufacturers, by guaranteeing loans made by chartered banks and Treasury Branches to a maximum of $5 million, providing such loans relate to specific export contracts or orders. The Program addresses the problems relating to working capital shortages to ensure that if an export sale is acquired, it can be financed through completion. Alberta Economic Development and Trade administers the Program. CONTACT: Executive Director, Business Finance Development, Alberta Economic Development & Trade (403) 427-3300.

## Manufacturing and Processing Income Tax Rates

Alberta's tax rates on manufacturing and processing income are among the lowest in Canada. The general corporate tax rate of 9% is applied to all manufacturing and processing income earned in Alberta. The small business tax rate of 0% is applied to companies with manufacturing and processing income earned in Alberta.

## Market Development Assistance Program

The Market Development Assistance Program (MDAP) can provide assistance to Alberta businesses that are interested in enhancing their export potential. Eligible companies can receive financial assistance to cover a portion of the costs incurred for market identification trips, out of province trade fairs and exhibitions, incoming buyer visits, and outgoing sales trips. The total value of grants allowed per applicant company within any fiscal year is $5000 maximum. The program has been established by Alberta Economic Development & Trade to supplement the Federal Program for Export Market Development (PEMD). Applicants are asked to apply under PEMD before considering application to MDAP. This program was allocated $750,000 in 1986/87. CONTACT: Assistant Deputy Minister, Trade and Investment Development Division, Alberta Economic Development & Trade (403) 427-4809.

Product Development Program

The Product Development Program is intended to assist Alberta manufacturers who want to improve the design and quality of their existing products or develop new and innovative products. This program can enable proposals to recover as much as 75 percent of the eligible costs of product development to a maximum of $30,000 per project. The program is sponsored by Alberta Economic Development and Trade. CONTACT: Executive Director, Business Finance Development, Alberta Economic Development & Trade (403) 427-3300.

Small Business Equity Corporations Program

The Small Business Equity Corporations Program (SBEC) is designed to stimulate the formation of privately organized and managed pools of equity capital to invest in eligible small businesses throughout the province. SBEC's offer attractive incentives to investors in the form of grants for individuals and refundable tax credits for corporations. Presently, the Alberta Government is assessing the benefits of the SBEC program. Applications will not be considered after September 2, 1986 until further notice is given. CONTACT: Director, SBEC, Alberta Economic Development & Trade (403) 422-5025; 1-800-262-9054 (toll free).

Small Business Term Assistance Plan

The Alberta Small Business Term Assistance Plan is intended to provide fixed term, fixed rate financing to small businesses having majority ownership by Alberta residents. This $1.1 billion program is administered through participating financial institutions and offers a fixed interest rate of 9 percent to purchase capital assets or refinance existing term debt. As a result of the success of the program and the high take-up rate, the financial institutions have not accepted any new applications under the program since September 25, 1986. CONTACT: Small Business Term Assistance Program, Alberta Economic Development & Trade (403) 422-7002.

Vencap Equities Ltd.

Vencap Equities Alberta Ltd. (VENCAP) is a $244 million venture capital fund, established with a loan from the Alberta Heritage Savings Trust Fund and public sale of shares, which invests in Alberta corporations with substantial growth prospects and the potential to further diversify the Alberta economy. Vencap will consider investments of any size but is particularly attracted to opportunities involving sums of equity capital in a range of $1 million to $10 million. Vencap is publicly owned and has as its primary aim to operate profitability in the best interests of all shareholders. CONTACT: President, Vencap Equities Ltd. (403) 420-1171.

## EMPLOYMENT AND TRAINING PROGRAMS

## (CONTACT: MANAGER, PROGRAM DELIVERY, ALBERTA CAREER DEVELOPMENT AND EMPLOYMENT, 422-0046)

### Alberta Private Vocational Schools Program

The purpose of the Private Vocational Schools Program is to provide vocational training for unemployed Albertans in identified skill shortage areas through licensed Private Vocational Schools, thus enhancing their opportunities for entering the workforce. This program provides financial support to individuals who require training offered by private vocational schools in fields identified as having critical skill shortages.

### Alberta Training Program

The objective of the Alberta Training Program is to provide training, re-training and upgrading of new and existing employees, to raise the productivity of the work force, and to provide for adjustments due to technological change. Wage subsidies are available to private sector employers who offer job training and skill development to their employees. The Alberta Government reimburses the employer for fifty percent of wages up to a maximum of $7.50 per hour or $300 per week for programs of no less than one week for on-the-job training and of no less than three days for classroom based training.

### Alberta Vocational Training - Skill Enhancement Program

The objective of the Alberta Vocational Training - Skill Enhancement Program is to provide additional training or re-training for unemployed Albertans who may already possess skills but may need skill updating and/or additional training to obtain employment. The program provides unemployed Albertans who are skilled in low demand occupations an opportunity to undertake academic upgrading, skill upgrading or training in designated occupations identified as being in demand either now or in the near future.

### Alberta Youth Employment and Training Program

The Alberta Youth Employment & Training Program Alberta's youth with work experience and job-related training. The program has two elements. The Post-Secondary Internship & Training element aims to provide post-secondary graduates with jobs and training related to their education. The second element - Youth Work Experience and Training - is geared to providing work experience and training to 18-24 year old Albertans.

### Alberta Wage Subsidy Program

The purpose of the Wage Subsidy Program is to provide businesses and farms with a wage subsidy for employing new workers and for re-training workers who otherwise might be laid off. A subsidy of fifty percent of the wages of an employee, up to a maximum of $2.50 per hour, is provided to approved employers who provide work experience and career development opportunities for unemployed Albertans.

## SECTOR SPECIFIC ASSISTANCE PROGRAMS & SERVICES

### AGRICULTURE (inc. Food Processing)

#### Alberta Agriculture Development Corporation

The Alberta Agriculture Development Corporation (ADC) is a crown corporation that is involved in both direct lending programs and loan guarantee programs to Alberta farmers and agribusinesses. The Corporation acts as a primary lender to beginning farmers, providing loans at interest rates below market value. Direct loan programs are also available to other farmers and agribusinesses, however, applicants must demonstrate no other reasonable sources of financing are available. CONTACT: Managing Director, ADC (430) 679-1301.

#### Alberta Farm Credit Stability Program

The new Alberta Farm Credit Stability Program provides $2 billion of long term, 20-year money at predictable 9% interest rates. Farmers and ranchers will be able to plan ahead with certainty as to the cost of credit.

Fixed 9% interest rates for two decades provides stability to family farms and removes uncertainty by flattening out the risk of fluctuating interest rates. Existing farm debt can be restructured and consolidated and new loans secured for up to $200,000 per farm family. CONTACT: Alberta Agriculture, (403) 422-9167..

#### Alberta Food Park

A food park is a term we use to describe what is essentially an industrial park for frozen or refrigerated food processing and beverage companies. Savings are available to frozen food processing companies through economies of scale in a food park, whereby costly freezing equipment and storage facilities are either jointly owned or owned by a separate developer and transportation/distributional requirements can be coordinated among several processors in the food park to achieve lower overall costs. CONTACT: Mr. Charles Lau, Alberta Food Park (403) 235-6789.

## Canada/Alberta Subsidiary Agreement on Agricultural Processing and Marketing

The Canada/Alberta Subsidiary Agreement on Agricultural Processing and Marketing is a five year initiative which provides developmental assistance to the agricultural processing industry in Alberta. The Governments of Canada and Alberta have agreed to provide $50 million to this initiative which extends to September 30, 1990. This agreement offers assistance to the private sector under two programs: Capital Assistance, which encourages investment in the establishment, expansion and modernization of processing operations, and testing and research facilities; and Non-Capital Assistance, which is available to help processors undertake feasibility studies or research and development projects that are eligible under Capital Assistance. CONTACT: Executive Director, Rural Development, Alberta Agriculture, (403) 427-4287.

## Farming for the Future Program

Farming for the Future is an agricultural program supported by the Alberta Heritage Savings Trust Fund and administered by the Agricultural Research Council of Alberta, funds a wide range of research and demonstration activities, that may relate to any aspect of agricultural production. The program provides financial assistance under two elements: the Research program supports basic and applied agricultural experimentation and the On-farm Demonstration program which expedites the transfer of research findings from the laboratory to the farming community. The Alberta Heritage Savings Trust Fund invested $5 million in the program in 1986/87. CONTACT: Research Division, Alberta Agriculture, (403) 427-1956.

## Food Processing Development Centre

The Food Processing Development Centre located at Leduc was established in 1984 to help Alberta food processors apply new technology in the development and packaging of new products and the application of new processes. The Centre provides an information service that assists in the acquisition, interpretation and adaptation of scientific or technical literature to resolve specific technical problems. Product development laboratories at the Centre contain equipment and facilities for product formulation, ingredient assessment and microbiological analysis. Pilot plant equipment can provide simulation of industrial production to assess and evaluate product or process performance. The Centre is administered by Alberta Agriculture. It received an allocation of approximately $685,000 in 1986/87. CONTACT: Director, Food Processing Development Centre, Alberta Agriculture (403) 986-4793.

## Guarantee Program to Assist Alberta Farm Implement Dealers

The Guarantee Program to Assist Alberta Farm Implement Dealers is intended to support farm implement dealers in obtaining working capital loans to sustain operations until conditions in the industry improve. The Alberta Government will guarantee loans made by eligible financial institutions after the lenders undertake a normal credit assessment. The loans are subject to a maximum of $250,000 to any one dealership with the Alberta Government's liability being a maximum of $125,000 or 50 percent of the loan amount. The guarantee would be in force for the term of the loan, but not after December 31, 1987. CONTACT: Executive Director, Business Finance Development, Alberta Economic Development & Trade (403) 427-3300.

# CONSTRUCTION & ENGINEERING

## Centre for Frontier Engineering Research

The Centre for Frontier Engineering Research (CFER) at the University of Alberta is an incorporated, non-profit organization focusing on research related to materials, design and construction for Arctic and offshore resource development. In addition to its own on-going research program, CFER enhances the research efforts of industry in looking for ways to increase productivity in frontier development. CFER is also available for carrying out appropriate contract research. CFER's membership includes consulting companies, energy companies, petroleum service companies, steel producers and fabricators, universities and government and currently stands at about 30. Initial funding for CFER is provided by the Devonian Group at Charitable Foundations, the private sector, the University of Alberta and the Governments of Canada and Alberta. Beginning in November 1983, the Alberta Government committed $376,000 per year for five years to support CFER. CONTACT: Chief Executive Officer, AOSTRA, (403) 427-7623.

## ENERGY

### Alberta Oil Sands Technology and Research Authority

The Alberta Oilsands Technology and Research Authority (AOSTRA) is a provincial crown corporation that was established in 1974. AOSTRA's mandate is to promote research and development of technology that would lead to the efficient and economic recovery and processing of crude bitumen and other oilsands products from the oilsands deposits. AOSTRA's involvement in technological development ranges from academic and institutional research to the support of large scale field pilots and demonstration units in cooperation with industry. AOSTRA is supported by the Alberta Heritage Savings Trust Fund which has invested a total of $351 million in the crown corporation as of March 31, 1986. CONTACT: Chief Executive Officer, AOSTRA (403) 427-7623.

### Coal Research Centre

The Coal Research Centre is a $22 million facility that was established in Devon in 1984 by the Alberta/Canada Energy Resources Research Fund, a joint federal/provincial program administered by Alberta Energy. The Centre conducts studies ranging from improving conventional coal cleaning methods to frontier research on converting coal to synthetic fuels such as oil and gas. The coal research programs of the Alberta Research Council, the Canada Centre for Mineral and Energy Technology (Canmet), and the Coal Mining Research Company are conducted at this facility CONTACT: Head, Coal Research Department, Alberta Research Council (403) 987-8118.

### Energy Conservation and Renewable Energy

Project funding contributions are available from Alberta Energy and Natural Resources for contract research, development, and demonstration of cost effective energy conservation and renewable energy technologies in Alberta. The emphasis is on energy conservation in buildings and waste heat recovery within Alberta's major industrial/commercial sectors and agriculture. CONTACT: Director, Energy Conservation and Renewable Energy Research, Alberta Energy & Natural Resources (403) 427-2983.

## Oilsands and Enhanced Oil Recovery Projects

In the spring of 1983, the Alberta Government and the Federal Government offered tax and royalty incentives that helped to reduce some of the front-end risk associated with Oilsands and Enhanced Oil Recovery (EOR) Projects. These incentives included exemption from the Petroleum and Gas Revenue Tax (which has been eliminated for new projects as a result of the Western Accord); world oil prices for project's oil production (which is now guaranteed for all oil production under the Western Accord); 30% depletion allowance against federal and provincial income tax; and a reduction of provincial royalties to a nominal level. These provisions will remain in effect until the projects have recovered their capital costs, including a 10% return on investment.

# FORESTRY

## Canada-Alberta Forest Resource Development Agreement

The Canada/Alberta Forest Resource Development Agreement provides assistance through contractual arrangements to eligible companies to undertake programs that are designed to increase forest productivity in Alberta, to promote efficient utilization of forest resources or to increase economic diversity and employment opportunities in forestry.

Under the terms of the Agreement $23 million has been committed between June 1984 and March 1990. The Agreement seeks to encourage industry to further improve forest management practices, to develop cost competitive methods and products for the utilization of hardwoods and to raise public awareness of forestry issues. These activities will include a strong emphasis on applied research and development and related technology transfer. The agreement is jointly administered by the Alberta Forestry, Lands and Wildlife and the Canadian Forestry Service. CONTACT: Manager, Forest Products Research, Alberta Forestry, Lands, and Wildlife, (403) 422-7011

## MEDICAL RESEARCH

### Alberta Heritage Foundation for Medical Research

The Alberta Heritage Foundation for Medical Research was established in 1979 by the Alberta Government to build a balanced program of medical research by supporting basic and clinical scientists in Alberta hospitals and universities. The Foundation activities are directed towards the discovery of new knowledge and the application of that knowledge to improve health care. Support is provided over a broad spectrum of disciplines including: biochemistry, microbiology, pediatrics, immunology, neurology and others. The Foundation is supported by a $300 million endowment from the Alberta Heritage Savings Trust Fund. CONTACT: President, Alberta Heritage Foundation for Medical Research (403) 423-5727.

## MOTION PICTURE INDUSTRY

### The Alberta Motion Picture Development Corporation (AMPDC)

The Alberta Motion Picture Development Corporation (AMPDC) was established by the Alberta Government in 1981 to stimulate the growth of the Film and Video Production Industry in Alberta by making loans or guaranteeing loans to qualified producers. The AMPDC is authorized to make loans or loan guarantees of up to 60 percent of the total funds required for the pre-production stage of a motion picture. The AMPDC has its offices in Canmore and is funded by a $3 million endowment grant from Alberta Economic Development and Trade. CONTACT: President, AMPDC (403) 678-2525.

## SCIENCE AND TECHNOLOGY

### Alberta Laser Institute

The Alberta Laser Institute at the University of Alberta is intended to encourage and assist Alberta industry with the development and implementation of laser systems that will provide more cost effective production technology. The Institute is conducting research for industry involving the cutting and surface treatment of materials. It is the first centre of its kind in Canada that is oriented towards the industrial application of laser technology. The Alberta Government is providing $5 million in funding assistance over five years commencing in 1985. CONTACT: President, Alberta Laser Institute (403) 432-3333.

## The Alberta Microelectronics Centre

The Alberta Microelectronic Centre is a non-profit organization that acts as a focal point for new microelectronic technology, offering a variety of education, training, consulting, and research services to Alberta business and industry. This initially federally funded and provincially supported Centre is located at the University of Alberta with additional research facilities at the University of Calgary. Research activities include integrated circuit design, CAD software development, device physics, integrated sensor research, and integrated circuit prototyping. CONTACT: General Manager, Alberta Microelectronics Centre (403) 432-3914.

## Alberta Research Council

The Alberta Research Council (ARC) is a Crown Corporation dedicated to promoting economic development in Alberta through science and technology. ARC provides a full range of services: pure and applied research; analytical laboratories; and industrial engineering problem-solving. ARC has identified six major areas of activity including Industrial and Engineering Research, Advanced Technologies, Applied Sciences, Oil Sands, Coal and Natural Resources. One of the Council's highest priorities is to work closely with industry to provide businesses with the research capability required but not available in the private sector.

The Joint Research Venture Program is an initiative which was established in 1983, whereby companies and the Council jointly share in the costs of research programs proposed by the companies and where the work is performed on Council premises. The Advanced Technologies Program is another initiative that was established in 1984 to assist companies to become more competitive by providing them with research and development assistance in information and automation technologies. The Alberta Research Council also promotes and administers the National Research Council's Industrial Research and Assistance Program (IRAP) in the province. The ARC was allocated $23 million in 1986/87. CONTACT: President, Alberta Research Council, (403) 450-5111.

## Alberta Research Council Biotechnology Pilot Plant

The Alberta Research Council Biotechnology Pilot Plant was established in 1985 to carry out biotechnology research and to assist industrial clients in the commercialization of their biotechnology processes through the scale-up of laboratory research production. The services which this plant can offer to industry will be greatly expanded with the completion of a 15,000 litre toll fermentation facility that is currently under construction at an estimated cost of $2.6 million. This 15,000 litre fermentor will be the only facility of its kind in Canada and the third in North America. It will give Alberta's biotechnology companies a competitive advantage in the production and entry of new products into world markets and will attract international business to the province. The biotechnology pilot plant and the new toll facility which are located at the Alberta Research Council's headquarters in Edmonton will enable the Council to provide a complete range of service to clients from the discovery of new products to large scale production. CONTACT: Head, Biotechnology Department, Alberta Research Council, (403) 450-5111.

## Alberta Telecommunications Research Centre

The Alberta Telecommunications Research Centre (ATRC) focuses on research in optical communications with emphasis on fibre optics and computer-aided design of microelectronic products and services. Over a five year period beginning in 1986, the Government of Alberta has committed $3.56 million to funding the Centre's operations; the University of Alberta will contribute about $1 million; and Bell Northern Research Ltd. will provide $3.5 million. The ATRC encourages the participation of industry to share in the benefits of pooled research and development relating to the telecommunications field. ATRC research facilities are located in the Edmonton Research and Development Park. CONTACT: President, ATRC, (403) 461-3830.

## Alta-Can Telecom Inc.

Alta-Can Telecom Inc., was established in 1982 as a venture capital subsidiary of Alberta Government Telephones with an initial capitalization of $10 million. The company invests in private sector ventures in the fields of microelectronics and telecommunications. CONTACT: Alta-Can Telecom Inc., (403) 231-8269.

## Electronics Industry Information Centre

The Electronics Industry Information Centre (EIIC) was established by the Alberta Government in April 1985. The development of electronics products is directly linked to the availability of technical information. As not all companies have the necessary means to access that information, development of new products and new ideas is sometimes delayed or impeded. The EIIC creates a computerized network linked to an information bank, from which Alberta manufacturers can access the most up-to-date technical and design information available. The Government of Alberta is contributing approximately $1.6 million to the Centre which will be based out of the Alberta Research Council offices in Calgary CONTACT: Regional Vice President, Alberta Research Council (403) 297-2601.

## Electronics Test Centre

The Electronics Test Centre (ETC) is a facility that provides evaluation and research support to the electronics industry. The Centre provides rigorous product tests and evaluations in the area of telecommunications, medical electronics, data processing, office automation, and process instrumentation. ETC can verify product and design conformance with regard to product safety including comprehensive certification testing to CSA, UL and other safety standards. ETC can also act as agent on behalf of a manufacturer to obtain product approvals. The Test Centre is sponsored by the Alberta Research Council (ARC) and is located at ARC facilities in Edmonton. It is funded in part by a $6.2 million capital grant from the Alberta Heritage Savings Trust Fund. CONTACT: General Manager, Electronics Test Centre (403) 450-5370.

## Microchip Design and Fabrication Facilities

In 1985, the Alberta Government committed $13.9 million to the Alberta Microelectronic Centre over a three year period to assist in its expansion which involved the establishment of microchip design and fabrication facilities. The Alberta Microelectronic Centre's Calgary Design and Engineering Application Facility was officially opened on September 19, 1986. The Calgary design facility was established to design and prototype custom microchips for industry and research projects significant to the electronics industry.

The Alberta Microelectronic Centre's Edmonton Fabrication Facility was officially opened on December 15, 1986. The fabrication facility, located in the Newton Research Building on the University of Alberta campus, will manufacture custom-designed silicon chips and will complement the work of the Calgary Design and Engineering Application Facility. The two facilities are designed to provide assistance to companies involved in microelectronics and contribute to the growth of the electronics industry in Alberta. CONTACT: General Manager, Alberta Microelectronics Centre (403) 432-3914.

Spurt Investment Fund 1

Spurt Investment Fund 1 which was established in October 1985 with an initial capitalization of $3 million is the first venture capital fund in Canada designed solely to make equity investments in seed and early-stage technology enterprises. Spurt 1 investments are made only in Alberta high technology firms with the typical equity capital being in the range of $75,000 to $250,000.

In addition to seed capital, Spurt 1 also provides financial, management, engineering and marketing resources. Spurt Investment Fund 1 is a limited partnership of ten organizations representing both the private and public sectors with Alta-Can Telecom Inc. being the managing and General Partner of the Fund. In January of 1987, the Alberta Government announced its direct participation in the Fund with an investment of $500,000 during the 1986/87 fiscal year with the provision for additional funding of $500,000 for three successive years. CONTACT: Alta-Can Telecom Inc., (403) 231-8269.

Supercomputer Project

The Supercomputer Project located at the University of Calgary, is a joint venture involving Alberta Technology, Research and Telecommunications, the University of Calgary and industry. The objective of the project is to encourage research and training in vector computing technology; to develop state-of-the-art supercomputer application software; to provide a research facility for Canadian universities; and to attract world class academic and industrial research to Alberta. The Alberta Government has prepaid $10 million of computer time to be allocated to industry and the universities for R & D projects over a five year period that began in 1985. CONTACT: Vice President - Research, University of Calgary (403) 284-5617.

## TOURISM

### Canada/Alberta Subsidiary Agreement on Tourism Development

This is a five year cost-shared $56.3 million agreement between the Government of Canada and the Government of Alberta. Taking effect on November 13, 1985, the tourism Sub-Agreement recognized the economic importance of Alberta's tourism industry by providing financial assistance to the private sector and tourism-oriented organizations for new initiatives in the areas of development, marketing, training and research. The end result of this assistance will be the undertaking of a variety of development projects and initiatives that will enhance or contribute to Alberta's positioning as a national and international tourism destination. CONTACT: Director, Canada/Alberta Tourism Agreement, (403) 422-0312.

## MUNICIPAL GOVERNMENT
## PROGRAMS AND SERVICES

Numerous municipal programs and services are available in Alberta. In order to learn more about these programs and services, please contact the city economic development officers directly.

A list of city economic development officers follows. For a complete listing of town economic development officers please refer to the Directory of Economic Developers in Alberta (see bibliography).

CALGARY

Mr. B.A. McDonald
Executive Director,
CALGARY ECONOMIC DEVELOPMENT AUTHORITY
P.O. Box 2100, Stn. M
CALGARY, AB T2P 2M5
403 - 268 - 2771

CALGARY

Mr. W.D. Croft
President,
CALGARY RESEARCH & DEVELOPMENT AUTHORITY
Suite 140
6815-8 St. N.E.
CALGARY, AB T2E 7H7
403 - 295 - 1011

EDMONTON

Mr. William F. Allcock
General Manager
EDMONTON ECONOMIC DEVELOPMENT AUTHORITY
#108, 9797 Jasper Avenue
EDMONTON, AB T5J 1N9
403 - 424 - 7870

EDMONTON

Mr. Glenn A. Mitchell
General Manager
EDMONTON RESEARCH & DEVELOPMENT AUTHORITY
1621, 10104 - 103 Avenue
EDMONTON, AB T5J 0H8
403 - 428 - 9431

AIRDRIE

Mr. Peter Cartwright
Economic Development Officer
CITY OF AIRDRIE
P.O. Box 3400
AIRDRIE, AB T4B 2B6
403 - 948 - 5907

CAMROSE

Mr. D. Twomey
Economic Development Coordinator
CITY OF CAMROSE
5204 - 50 Ave.
CAMROSE, AB T4V 0S8
403 - 672 - 4426

DRUMHELLER

Mr. Phillip Stephan
General Manager
DRUMHELLER & DISTRICT
DEVELOPMENT CORP.
Box 999
DRUMHELLER, AB TOJ OYO
403 - 823 - 8100

FORT SASKATCHEWAN

Mr. Gary L. Hudson
Development Officer
CITY OF FORT SASKATCHEWAN
10005 - 102 St
FORT SASKATCHEWAN, AB T8L 2C5.
403 - 998 - 2266

LEDUC

Director
(Currently vacant)
LEDUC-NISKU ECONOMIC DEVELOPMENT
AUTHORITY
Suite 206B, 5904-50 St.
LEDUC, AB T9E 6J3
403 - 986 - 9538

LLOYDMINSTER

Mr. Peter Vana
Director, Planning & Development
CITY OF LLOYDMINSTER
5011 - 49 Avenue
LLOYDMINSTER, AB/SASK. S9V 0T8
403 - 825 - 6184

FORT MCMURRAY

Mr. Terry Langis
Economic Development Officer
CITY OF FORT MCMURRAY
9909 Franklin Avenue
FORT MCMURRAY, AB T9H 2K4
403 - 743 - 7883

GRANDE PRAIRIE

Ms. Norma Larson
Economic Development
Assistant
CITY OF GRANDE PRAIRIE
9902 - 102 St.
GRANDE PRAIRIE, AB T8V 2P5
403 - 539 - 3410

LETHBRIDGE

Ms. Helen Henderson
Director, Economic
Development
CITY OF LETHBRIDGE
City Hall, 910-4 Ave South
LETHBRIDGE, AB T1J 0P6
403 - 320 - 3910

MEDICINE HAT

Mr. D.A. Cormier
Manager, Economic
Development Department
CITY OF MEDICINE HAT
City Hall, 580-1St. SE
MEDICINE HAT, AB T1A 8E6
403 - 529 - 8353

RED DEER

Mr. Alan Scott
Manager, Economic Development
CITY OF RED DEER
P.O. Box 5008
RED DEER, AB T4N 3T4
403 - 342 - 8106

SPRUCE GROVE

Mr. Gordon McIntosh
Director of Corporate
Services
CITY OF SPRUCE GROVE
410 King Street
SPRUCE GROVE, AB T7X 2Z1
403 - 962 - 2611

ST. ALBERT

Mr. Bruce Randall
Economic Development Officer
CITY OF ST. ALBERT
5 St. Anne Street
ST. ALBERTA, AB T8N 3Z9
403 - 459 - 1631

WETASKIWIN

Mr. John Van Doesburg
Economic Development
Coordinator
CITY OF WETASKIWIN
Box 6266
WETASKIWIN, AB T9A 2E9
403 - 352 - 3344

## Edmonton Research and Development Park

The Edmonton Research and Development Park, located in Alberta's capital city, offers an outstanding environment for the pursuit of advanced technology activity.

The Park is strategically situated in South Edmonton, less than a kilometre (.6 mile) from the province's main north-south highway and a 10 minute drive from the Edmonton International Airport. The University of Alberta and the city's central business district are each less than 20 minutes away by car.

The 130 hectare (320 acre) reasearch and technology community, comprising the Research Park and the adjacent headquarters and laboratories of the Alberta Research Council, is home to ten organizations employing over 700 scientists, engineers, technicians and support staff. The Park can accommodate the needs of advanced technology industry through the sale of fully-developed properties, long-term land leases and space rental in customized, multitenant research buildings. Project financing is also available in some circumstances. (Edmonton Research & Development Park Authority, 1621, 10140 - 103 Avenue, Edmonton, Alberta T5J OH8 (403) 428-9431).

## Calgary Research and Development Park

The Calgary Research and Development Park is a quality concept, providing a unique research and working environment for research and technology oriented activities and for high technology manufacturing related to on-site research and development. The Park has 1,066 hectares available for development. All operations locating in the Park must be research or technology oriented. Product manufacture or assembly is limited to prototype development, or to the manufacture of high technology products that are clearly related to the on-site research and development activities. No tenant exclusively engaged in manufacturing or assembly is permitted to occupy space in the Park.

Calgary is also home of the University Research Park located near the University of Calgary. This 105 acre park houses the research facilities of Shell Canada Resources Ltd., Petro-Canada, the Canadian Energy Research Institute, the Institute of Sedimentary and Petroleum Geology, the Computer Modelling Group, the Petroleum Recovery Institute, the Vocational and Rehabilitation Research Institute, the Alberta Research Council and Core Laboratories Canada Ltd. (Calgary Research and Development Authority, Suite 1435, Bow Valley Square 1, 202 - 6 Ave. S.W. Calgary, Alberta T2P 2R9 (403) 237 - 7866).

## ROLES OF SELECTED ALBERTA GOVERNMENT DEPARTMENTS AND AGENCIES

The following departments of the Alberta Government may provide valuable assistance in your business decisions:

a) Department of Economic Development and Trade

The mission of Alberta Economic Development and Trade is to provide leadership in the coordination, development and implementation of the provincial government's economic development and diversification strategy so that the short and long-term economic well-being of Albertans will be improved. This will be accomplished by working with departments of the Government of Alberta, the Alberta business community, foreign buyers and investors, and with other governments and associations.

Edmonton: Alberta Economic Development and Trade
Sterling Place
9940 - 106 Street
Edmonton, Alberta
T5K 2P6 Phone: 422-5540

Calgary: Alberta Economic Development and Trade
Calgary Office
5th Floor
999 - 8 Street S.W..
Calgary, Alberta
T2R 1J5 Phone: 297-6284

Small Business and Industry Development Division

The Small Business and Industry Development Division exists to encourage business development in Alberta by developing and implementing policies and programs that will assist existing Alberta businesses to develop and grow and encourage new businesses and industries to establish in Alberta. This will be accomplished by working with business, industry, business related organizations and Alberta communities as well as other divisions, departments and governments.

Contacts: Executive Director
Industry Development Branch
Phone: 427-2005

Executive Director
Regional Business Development Branch
Phone: 427-3685

Executive Director
Business Finance Development Branch
Phone: 427-0667

General Manager
Calgary Office
Phone: 297-6284

Trade and Investment Development Division

The Trade and Investment Development Division exists to enhance the economic growth and further diversification of the Alberta economy by assisting the private sector to participate more effectively in expanding exports and attracting investment. This will be accomplished by working with Alberta-based businesses, business-related organizations, post secondardy institutions, other divisions and Alberta government departments as well as businesses from outside Alberta and other governments.

Contacts: Managing Director
Domestic and The Americas Trade Promotion Branch
Phone: 427-4809

Managing Director
International Investment Promotion Branch
Phone: 427-2005

Managing Director
International Trade Promotion Branch
Phone: 427-4809

Director
Trade Show Promotion Branch
Phone: 427-4809

Policy and Planning Division

The Policy and Planning Division provides policy analysis, development and coordination in the areas of business development, investment, trade, diversification, and transportation issues. The Division also provides planning, project and program support toward the development of an effective transportation system for Alberta companies to compete in export markets.The above will be accomplished by working with cabinet committees, other divisions, departments, governments, the private sector and the general public with the objective of improving the short and long term economic well being of Albertans.

Contacts: Chairman
Futures Compendium
Phone: 427-0665

Executive Director
Transportation Services
Phone: 427-5232

Executive Director
Policy Development
Phone: 427-3627

b) Department of Energy

The Department has the responsibility for administration of the Crown's energy resources and for the management and development of these and freehold resources. Energy applies sound management practices to encourage participation by the private sector in the development of the resources and to optimize the royalty revenue for the province. The Department has three major divisions: mineral resources, policy analysis and planning, and scientific and engineering services. (9915-108 Street, Edmonton, Alberta T5K 2L9 (403) 427-3590).

Alberta Energy Resources Conservation Board

Under the Statutes of Alberta, the Energy Resources Conservation Board is charged with certain energy resource and environmental management functions with regard to oil, gas, oilsands, pipelines, electrical energy and coal. The Board is also responsible for the preservation and effective use of certain of Alberta's energy resources.

Under the Oil & Gas Conservation Act, the Board, with the approval of the Lieutenant Governor in Council (ie. Cabinet), may grant an Industrial Development Permit for the use of gas, methane, ethane, propane, butanes, pentanes plus, condensate, crude oil, crude bitumen, or synthetic crude oil, or any primary derivative of them or any of them as a raw material or fuel in an industrial or manufacturing operation. Permits are not required where the total quantity of energy in the energy resource used in any year as raw material and fuel does not exceed one trillion British thermal units (1.1 x 1014 joules). A similar provision exists in the Coal Conservation Act regarding the use of coal or a coal product as a raw material, reductant, or fuel in an industrial or manufacturing operation. (640 - 5th Avenue SW, Calgary, Alberta T2P 3G4 (403) 297-8311).

c) Department of Environment

This department is responsible for the coordination of the policies, programs, services and administrative procedures of departments and agencies of the Government in matters pertaining to the environment. The Industry Development Division of Alberta Economic Development and Trade works closely with Alberta Environment and will help to introduce companies to this department.

Major environmental guidelines for petrochemical projects are published by Alberta Environment in conjunction with the Energy Resources Conservation Board under the Industrial Development Permit Application guidelines. These guidelines detail the amount of information that must be provided to the Department of Environment regarding the environmental impact of the proposed projects. (Standards and Approvals Division, 4th Flr., Oxbridge Place, 9820 - 106 Street, Edmonton, Alberta T5K 2J6 (403) 427-5883).

d) Department of Forestry, Lands and Wildlife

The new Department of Forestry's primary function is to expand Alberta's forest sector. Greater use of hardwood resources and expansion of the pulp and paper industry will be emphasized by encouraging new major projects and research initiatives. Assistance will be provided to modernize existing sawmill and panelboard plants. New technologies, transportation improvements, and marketing assistance will be made available to help small-scale forestry producers. The new Department will also continue its high priority on the proper planning and management of our lands, fish, and wildlife resources. (9915 - 108 Street, Edmonton, Alberta T5K 2C9 (403) 427-3542).

e) Department of Technology, Research and Telecommunications

The responsibility of this new Department is to lead in promoting diversification of the province, especially by focussing on advanced technologies generally, and information and communications particularly. The Department also promotes Alberta as a national and international centre for research on, and the commercial application of, advanced technologies.

Finally, the Department is also responsible for ensuring that all Albertans are served by high quality, reliable and affordable communications systems and information services, and to actively support the development of intellectually and technologically advanced communication systems and information services in Alberta. (12th Floor, Pacific Plaza, 10909 Jasper Avenue, Edmonton, Alberta T5J 3M7 (403) 422-0561).

f) Department of Tourism

The primary objectives of the Department of Tourism are to develop Alberta as a major year-round travel destination area and to foster planned development of facilities, events and attractions to meet the needs of resident and non-resident visitors. Assistance is offered through the Travel Industry Association of Alberta (403) 250-2760, and through the Department's Marketing (403) 427-4823 and Development Branches (403) 427-2501.

## ALBERTA'S FOREIGN OFFICES

Alberta's foreign offices are strategically located in London, New York, Tokyo, Hong Kong, Los Angeles and Houston. Staff in these offices work closely with the private sector and Alberta government departments in cooperation with Canadian government offices abroad to fulfill the following objectives:

- to promote the sale of Alberta products and services in their respective regions;
- to encourage and secure investment and, where appropriate, business immigration to contribute to the province's economic development and growth;
- to provide information and advice on trends, developments and competitors to help shape trade and investment strategies;
- to promote Alberta's natural beauty and attractive recreational facilities as a tourism destination;
- to promote scientific, cultural and academic exchanges that stimulate new ideas and enhance the development of our own scientists, artists and teachers; and
- to enhance the awareness and understanding of the province by developing a profile in the region.

### LOCATIONS

LONDON (United Kingdom and Europe)

Established in 1948, Alberta House in London was our first foreign office. It is responsible for pursuing Alberta's interests in continental Europe as well as the United Kingdom. While it has a broad focus, Alberta House concentrates on securing investment from the United Kingdom and Germany; on expanding our trade and joint venture opportunities in Europe; and on attracting European tourists to Alberta.

Alberta House
#1 Mount Street
London, England
W1Y 5AA

Telex: 51-23461+
Facsimile: 011-441-629-2296
Telephone: 011-441-491-3430

NEW YORK (United States)

The New York office, opened in 1982, is responsible for pursuing Alberta's interests in the United States in general, particularly in Washington and the mid-western and eastern states. Its primary emphasis is on monitoring political and economic developments in Washington, D.C. and assessing those issues which have an important impact on Alberta - for example oil and gas regulatory decisions, agricultural legislation and a number of specific trade irritants - and on securing investment from the United States by maintaining close ties with the New York financial community.

Alberta Government Office
27th Floor, General Motors Building
767 Fifth Avenue
New York, New York 10153
U.S.A.

Facsimile: (212) 758-3682
Telephone: (212) 759-2222

TOKYO (Japan, Korea)

Opened in 1969, the Tokyo office is responsible for Alberta's activities in Japan and Korea. The pursuit of trade and investment opportunities in energy, food and manufacturing sectors are key priorities. It also pursues investment and technology transfers and promotes tourism and cultural exchanges. It plays an important role in special relationships with the provinces of Hokkaido in Japan and Kangwon in Korea.

Alberta Government Office
17th Floor, New Aoyama Building (West)
1-1, Minamiaoyama 1-chome
Minato-ku, Tokyo 107
Japan

Telex: 72-28543+
Facsimile: 011-81-3-470-3939
Telephone: 011-81-3-475-1171

HONG KONG (China, Hong Kong, Southeast Asia, Australia, New Zealand)

Established in 1980, Alberta's Hong Kong office has the important responsibility of promoting Alberta's interests in the People's Republic of China, as well as in southeast Asia, Australia and New Zealand. The office concentrates on increasing trade opportunities in the entire region, and on attracting investors and business immigrants, particularly from the Hong Kong area.

Alberta Government Office
Rooms 1003-4, Admiralty Centre
Tower Two, Harcourt Road
Central Hong Kong

Telex: 802-61961
Facsimile: 011-852-5-298-115
Telephone: 011-852-5-284-729

LOS ANGELES (Western United States)

Alberta's second office was established in Los Angeles in 1964. The staff focus their activities on the western United States and direct their efforts toward trade, investment and joint venture opportunities in a wide variety of areas, particularly energy and high technology, and on promoting tourism from the region.

Alberta Government Office
Suite 3535
333 South Grand Avenue
Los Angeles, California 90071
U.S.A.

Facsimile: (213) 626-2107
Telephone: (213) 625-1256

HOUSTON (Southcentral United States)

Opened in 1981, the Houston office is responsible for maintaining Alberta's presence in the southcentral states, and concentrates on the export of Alberta's products particularly its oil and gas equipment and services. Because many latin American countries maintain purchasing representatives in Houston, sales efforts are directed not only to the region but to offshore markets in Central and South America.

Alberta Government Office
5444 Westheimer Road, Suite 1425
Houston, Texas 77056
U.S.A.

Facsimile: (713) 871-0349
Telephone: (713) 871-1604

FOR MORE INFORMATION

For more information on Alberta's foreign offices please contact:

ALBERTA FEDERAL AND INTERGOVERNMENTAL AFFAIRS

International Division
2200, 10025 Jasper Avenue
Edmonton, Alberta
T5J 1S6

Telex: 037-3300
Facsimile: (403) 423-6654
Telephone: (403) 427-6543

For more information regarding trade, investment and joint venture opportunities contact:

ALBERTA ECONOMIC DEVELOPMENT AND TRADE

12th Floor, Sterling Place
9940 - 106 Street
Edmonton, Alberta
T5K 2P6

Telex: 037-2197
Facsimile: (403) 427-0610
Telephone: (403) 422-5540

## INVESTMENT OPPORTUNITIES IN ALBERTA

Expansion and diversification of the process and manufacturing industry in Alberta is actively encouraged. It is Alberta Government policy to encourage local processing of resources to obtain maximum employment and investment benefits from resource up-grading as a means to achieve the goal of further diversification.

Manufacturing volume has risen steadily over the past decade, particularly in sectors such as petroleum refining, chemical and chemical products, metal fabrication/machinery, food processing and beverage sectors where expansion has closely related to energy resources development, new construction and population growth in the Province. The foundation for further diversification of the Alberta industry has been established. Furthermore, Alberta is also at the centre of the growing Western Canadian market and is located favourably to supply the north-western United States markets.

The Department of Economic Development & Trade has identified process and manufacturing industry development opportunities which are available for direct investment, joint venture and licensing arrangements in the Alberta industry. Opportunities have been identified in the following areas.

### Petrochemicals

Alberta already has a moderate sized petrochemical industry based on plentiful supplies of hydrocarbon resources. This industry is competitive in international markets and offers future investment opportunities for the manufacture of additional ethylene derivatives. These could be made from ethylene purchased from existing, announced and potential world scale crackers based on ethane or from captive facilities built in conjunction with derivative plants. Significant volumes of other natural gas liquids and refinery off-gases offer other upgrading opportunities.

Alberta's position as Canada's major source of natural gas and as the world's largest source of export sulphur has led to the development of a large fertilizer industry which serves most of western Canada and much of the U.S. northeast. These strengths, and markets are expected to continue to grow, will place Alberta in an increasingly advantageous position for fertilizer manufacture.

## Non-Commodity Chemicals

Western Canada's resource based economy coupled with the availability of products and by-products from Alberta's petrochemical industry suggest some attractive opportunities for non-commodity chemical manufacture. Surfactants based on ethylene oxide, products based on sulphur, agricultural chemicals, amines and styrene derivatives are examples of products that could benefit from the availability within Alberta of raw materials, skilled personnel and infrastructure that have developed as a consequence of Alberta's petrochemical, refinery and oil and gas industries. Western Canadian markets for these and other specialty products in the oil and gas, agricultural, pulp and paper and mining industries are currently largely served by imported products and represent excellent opportunities for local Alberta manufactures.

## Energy

Abundant supplies of low cost energy and fuel products make Alberta a favoured location for coal mining and research, coal gasification or liquification, development/use of coal methanol slurries for fuel, methanol, methyl tertiary butyl ether (MTBE) for fuel, oil sands research and development.

## Metals and Minerals

Recommended areas of development opportunity for the metal and minerals industry in Alberta include catalyst, heavy metals, alloy and special steels, flat rolled steel products (hot or cold rolled, galvanized or coated), structural shapes, wire rod, specialty pipe, manganese/abrasion resistant steel castings, valve and pump.

## Food Industry

The food and beverage industry is the dominant industry in Alberta manufacturing, accounting for over $4 Billion, more than one quarter of Alberta's total manufacturing. There are opportunities for further development of the food processing industry in Alberta due to Alberta's solid base of agricultural resources, economic diversification, growing Western Canadian food market and favourable transportation factors in serving the western market.

Further development of the food processing industry in Alberta is encouraged by the provincial government as part of its strategy to diversify and strengthen the Alberta economy. Following are suggested areas for development in the secondary and tertiary food sub-sectors of the Alberta industry.

Frozen Foods - prepared poultry, prepared meat entrees, frozen baked goods products, baked desserts, prepared complete dinners, pasta dishes, ethnic foods and gourmet oriented foods.

Specialty foods - meat products (flaked meats, fabricated meat, specialty sausages, pate, prepared meat products for food service markets), snack food-crackers, specialty cheeses, salad dressings, spreads, soups, condiments, vegetable protein items, biscuits, confectionary, beverages.

## Forest Industry

Due to the large volume of uncommitted timber in Alberta, opportunities for joint-venture manufacturing in the forest industry are numerous. Coniferous species of spruce and pine with large quantities of deciduous poplar species offer attractive development potentials. Specific areas of opportunity include utilization of aspen for the production of forest products, newsprint and coated printing paper, sawmills for hard and softwood lumber, boards and furniture dimensions, softwood and hardwood board plants, laminated veneer lumber mills, medium density fibreboard and hardboard mills, household furniture, kitchen cabinets, upholstered furniture and bedding, factory built houses, (including mobile modular, prefabricated and closed panel houses), pallets and other material handling systems, industrial shelters and camps, and preserved and fire retardent wood products.

## Agricultural Machinery

Alberta is an annual half billion dollar growing market for the farm implement industry. Its farm implement manufacturers currently export 60% of provincial production outside the province, primarily to the other prairie provinces and north western U.S. - testimony to the durability of the Alberta product, the service provided by its companies and stability of the industry. Many of the products produced are recent and innovative steps toward greater agricultural productivity - efficient solutions to productivity problems.

Investment opportunities for the following types of agricultural implements exist in the province - cultivators, chisel plows, self propelled and high capacity output sprayers, fertilizer applicators - both liquid and solid, grain aeration and drying systems, complete grain handling, tilling and cleaning systems, hay handling and storage systems, rotary and pull type combines, swathers and direct cutting machines, irrigation systems, wear parts. Innovative electronic control systems and irrigation systems are also manufactured and provide excellent investment opportunities.

Engineering Consulting and Construction

Over the long term, Alberta's development of natural resources has, from time to time, created opportunities in certain disciplines and specialties such as chemical and process engineering, instrument and control engineering, electronics, large project management capability, mining, forest products, equipment design, metallurgical, tool and die engineering, and coal conversion technology.

In the shorter term, some potential opportunities might exist in specialty areas like pipe stress analysis, rotating machinery, heavy oil upgrading and extraction process technology, energy conservation technology, forest products, engineering, and solid and hazardous waste disposal and energy recovery systems.

Furniture

The institutional and office furniture manufacturing sector is gaining prominence and Alberta is identified as the hub of Western Canada and the Pacific Northwest.

The furniture sector requires local availability of product components such as molded foam products, hardware and related parts. Opportunities in finished product areas including furniture to meet needs of computer and other electronic hardware within the office environment, institutional and residential.

Consumer Products Industry

This section consists of over 250 companies accounting for over $350 Million in manufacturers value of shipments, which constitutes over 2% of Alberta's total shipments. Alberta consumer product manufacturers employ over 6,000 workers or 8% of Alberta's manufacturing sector.

Further immediate opportunities for development in the consumer products industry are in textiles (fabrics), clothings and soap products.

Medium term opportunities exist in sporting goods, hardware and plastic housewares, footwear products, toys and games, small household and garden appliances, and commercial products and packaging.

Machinery, Metal Fabrication, and Transportation Equipment

These sections account for 20% of the value added in the manufacturing sector. They have a profile of strong stable growth which has resulted in an industry with adequate physical, human and financial resources.

While the sections have developed to supply the needs of the Oil and Gas industry they are becoming increasingly diversified. This in turn has created investment opportunities to support expansion of markets and development of new products.

Areas of possible investment or joint venture include: forest industry equipment; components for heavy transportation equipment; investment casting; water treatment equipment; specialty oil field tools; and pipe fittings and valves.

Plastics, Rubber & Textiles

Viable business opportunities continue to emerge as markets for these products expand. In addition, many parts of this industry sector are immature, underdeveloped and in many areas, completely unexploited. Local availability of various grades of a number of polymer resins is a positive factor for the development of this sector. Suggested opportunities lie in two major areas.

First, the introduction of secondary manufacturing processing methods which are not presently being employed within the region. For example, sheet extrusion, reaction injection moulding, stretch blow moulding, calendering, plastisol spreading etc. Second, the manufacture of products for local and export consumption which are presently being brought in from outside the market area. Many high volume, consumable type products fall into this category. For example, plastic products used in clinics and hospitals, food and beverage containers and many types of clothing and textiles.

Electrical/Electronics

The electrical/electronics industries in Alberta benefit from a good supply of highly trained people from the province's universities and technical institutes. Close cooperation between universities, research organizations and industry is helping to keep Alberta firms at the forefront of technology. The industry benefits from a secure power supply at competitive prices and the spin-off opportunities arising from the development of the province's natural resources and agricultural base.

The electronics industry benefits from the services provided by impartial refrastructure organizations such as the Electronics Test Centre, the Alberta Microelectronic Centre, the Alberta Telecommunications Research Centre and the Alberta Laser Institute.

Opportunities exist for the manufacture of power equipment, motors, electrical conduit, appliances, telecommunications equipment, pole line hardware, instrument transformers, telemetry equipment, control valves, specialized electronic equipment, bio-medical electronic equipment, computing equipment.

Aerospace

Having already emerged as a respected participant in Canadian and *international aerospace markets, Alberta has* yet to realize its potential. Initiatives to achieve lasting regional industrial benefits through aerospace projects are creating attractive market opportunties for Alberta companies. The Alberta Government actively promotes the establishment and expansion of high-technology companies serving the aerospace industry.

Film Industry

Alberta has gained prestige as a versatile location with its varied landscape and terrain. It has attracted an impressive number of film and television producers of international stature to choose the province as a production location.

In establishing and maintaining a healthy motion picture industry there are co-production opportunities for theatrical feature films, made for TV films, made for network television (cable) production, documentary and commercial productions and associated services facilities such as labs, sound studio equipment rentals and catering.

Health Care Products

Alberta offers several important advantages to research and scientific related investments. The Alberta Heritage Foundation for Medical Research is responsible for attracting world class scientific researchers providing a high level of investigative activity and support for health care industries.

Excellent opportunities exist in the field of human and veterinary pharmaceuticals, fine chemical production, biologicals, and diagnostics. Major new health care facilities in Alberta's cities and rural areas provide an established market base for medical and surgical devices, hospital equipment and supplies, physiological monitoring equipment and electronic medical devices. Other opportunities include human pharmaceuticals and dietary products, medical and surgical devices veterinary pharmaceuticals, equipment and feed additives, fine pharmaceutical grade chemicals, ambulance and emergency equipment, biologicals and diagnostics (including blood fractionating products), electronic medical devices and physiological monitoring equipment and general hospital equipment and supplies.

For further information on opportunities in Alberta, contact should be made with the following Alberta Economic Development & Trade office:

Executive Director
Alberta Economic Development & Trade
International Investment Promotions Branch
10th Flr., Sterling Place, 9940 - 106 Street
Edmonton, Alberta T5K 2P6
(403) 427-2005
Telex 037-42815

## OTHER SOURCES OF VENTURE CAPITAL

Although the term "venture capital" has only recently become familiar to most people, the investment of unsecured funds in rapidly growing private companies has been popular for many years. In North America, venture capital has evolved from groups of wealthy individuals looking for profitable investment opportunities, to small "institutions" staffed by highly trained professionals with specialized interests ranging from technology start ups to leveraged buyouts. Today more than ever, capital markets are specializing in response to market needs.

Following are some venture capital companies active in Alberta:

**AEONIAN CAPITAL CORPORATION**
Suite 400, 602-12th Avenue S.W.
Calgary, Alberta T2R 1J3
(403) 264-4394

C.A. Smith, Drew Burgess

| | |
|---|---|
| Type of Investments: | Start up and turnaround |
| Industries: | Chemical, film, forest products, industrial manufacturing, mining, oil and gas |
| Dollar Size: | Up to $1,000,000 |
| Type of Companies: | Public, private and partnership |
| Type of Instruments: | Common shares, preferred shares, debentures, warrants or rights |

Percentage range is 25% to 50%. Directorships are required. Consulting fees are charged. Geographical preference: Canada and U.S.A.

Confirmed: April/87

**ALTA-CAN TELECOM INC.**
Floor 26H, 411-1st Street S.E.
Calgary, Alberta T2G 4Y5
(403) 231-8535

A.A. MacKinnon, D.F. Campbell, N.W. Clark, T.L. Umbach

| | |
|---|---|
| Type of Investments: | Research and development, start up, turnaround, expansion, levered buyout, and technology transfer |
| Industries: | Electronics manufacturing and distribution with emphasis on telecommunications, microelectronics product development and software. Invest only in technology situations |
| Dollar Size: | $200,000 - $2,000,000 |
| Type of Companies: | Public, private and partnership |
| Type of Instruments: | Common shares, preferred shares and debenture with bonus interest, warrants or rights for purchase of common shares |

Percentage range does not matter. Directorships are required. Geographical preference: Alberta.

Confirmed: April/87

**CANCOM MANAGEMENT LTD.**
1623 Canada Trust Tower
10104 - 103 Avenue
Edmonton, Alberta T2P 2V7
(403) 429-1726

David Edgar

| | |
|---|---|
| Type of Investments: | Negotiable |
| Industries: | Any industry will be considered excluding real estate |
| Dollar Size: | $500,000 maximum |
| Type of Companies: | public, private and partnership |
| Type of Instruments: | Common shares, preferred shares, debenture with bonus interest, warrants, rights, convertible deventures, options |

Percentage range is negotiable. Directorships are required. Consulting fees may be charged. Geographical preference: Western Canada.

Confirmed: April/87/

**CAVENDISH INVESTING LTD**
2850 Bow Valley Square 2
205 Fifth Avenue S.W.
Calgary, Alberta T2P 2V7
(403) 269-6795

Donna Johnson

Head Office:
Suite 2012
130 Adelaide Street West
Toronto, Ontario M5H 3P5
(416) 362-9840

R.A.N. Bonnycastle

| | |
|---|---|
| Type of Investments: | Expansion capital, levered buyouts, typically alongside management |
| Industries: | High technology (data processing, office automation, micro-electronics), industrial manufacturing, proprietary services and retailing |
| Dollar Size: | $500,000 plus |
| Type of Companies: | Public, private and partnership |
| Type of Instruments: | Common shares, preferred shares, debenture with bonus interest, warrants or rights and common shares |

Percentage range is open. Geographical preference: Canada and U.S.A.

Confirmed: April/87

THE CHURCHILL SBEC LTD.
2300 Scotia Place
10060 Jasper Avenue
Edmonton, Alberta T5J 3R8
424 - 8230

Terrance J. Norman, Emile L. Beaudry

| | |
|---|---|
| Type of Investments: | Expansion. |
| Industries: | Manufacturing and service. |
| Dollar Size: | $250,000 - $2,000,000. |
| Type of Companies: | Public or private. |
| Type of Instruments: | Common shares; preferred shares. |

Percentage range is 25% to 49% maximum. Directorships are required.
Geographical preference: Alberta.

Confirmed: April/87

GOLD BAR DEVELOPMENTS LTD.
P.O. Box 3160
Edmonton, Alberta
T5J 2G7
(403) 420-6666

John Elias

| | |
|---|---|
| Type of Investments: | Start up and turnaround |
| Industries: | Chemical, communications, EDP hardware manufacturing, EDP software, and industrial manufacturing. |
| Dollar Size: | $100,000 - $1,000,000 |
| Type of Companies: | Public, private and partnerships |
| Type of Instruments: | Common shares, and preferred shares |

Directorships are required. Geographical preference: Canada and U.S.A.

Confirmed: April/87

**SPURT INVESTMENT FUND I**
Floor 26H, 411 - 1 Street S.E.
Calgary, Alberta T2G 4Y5
(403) 231-8269

Norman W. Clark

| | |
|---|---|
| Type of Investments: | Start up |
| Industries: | High technology |
| Dollar Size: | $75,000 - $250,000 |
| Type of Companies: | Private |
| Type of Instruments: | Common shares |

Percentage range is 20% to 25%. Directorships are required. Geographical preference: Alberta.

Confirmed: April/87

**VENCAP EQUITIES ALBERTA LTD.**
Suite 1980, Manulife Place
10180 - 101 St.
Edmonton, Alberta T5J 3S4
(403) 420-1171

Derek Mather

2410 Paliser Square Building
125 - 9th Avenue S.E.
Calgary, Alberta T5G 0P6
(403) 237-8101

Oleh Hnatiuk

| | |
|---|---|
| Type of Investments: | Start up, turnaround, expansion and lever aged buyout |
| Industries: | Chemical, communications, consulting and/or service, distribution, electronics hardware manufacturing, EDP software, service/distribution, film, forest products, industrial manufacturing, oil and gas services, retail |
| Industries Excluded: | Oil and gas exploration and development, real estate, banking, mutual funds and finance |
| Dollar Size: | $500,000 - $10,000,000 |
| Type of Companies: | Public, private and partnership |
| Type of Instruments: | Common shares, preferred shares, debenture with bonus interest |

Percentage range is 5% to 40%. Directorships are preferred. Consulting fees may be charged. Geographical preference: Alberta. Investment opportunities outside Alberta will be considered which are of ultimate benefit to Alberta and/or Albertans.

Confirmed: April/87

## BIBLIOGRAPHY


Alberta Economic Development & Trade Publications

Alberta Aerospace

Alberta Architects Index

Alberta Business Guide to International Markets

Alberta Business Index - Consulting Industry in Alberta

Alberta Electronics Directory

Alberta Exporters Index, Oil & Gas Equipment Manufacturers

Alberta Farm Implement Buyers Guide

Alberta Fashion Directory

Alberta Industry & Resources

Alberta Manufacturers Index

Alberta Profile

Building Business Abroad

Doing Business With The Alberta Public Sector

Doing Business With You

Equine Manufacturing and Services Index

Exporting To The U.S.

International Trade: Country Profiles 1985

The Province of Alberta - A Brief Overview

Small Business Guides
Small Business & Industry Development Division, Alberta Economic Development & Trade

1. Starting a Small Business in Alberta
2. Financing a Small Business in Alberta
3. Marketing for a Small Business in Alberta
4. Operating a Small Retailing Business in Alberta
5. Operating a Small Manufacturing Business in Alberta
6. Operating a Small Service Business in Alberta
7. Selecting a Small Business Computer in Alberta

8. Bookkeeping for a Small Business in Alberta
9. Operating a Small Construction Business in Alberta
10. Buying a Small Business
11. Buying a Small Business Franchise

Other Small Business Publications

Alberta Location Profile (towns and cities)
Assisting Small Business
Small Business Files
Directory of Economic Developers in Alberta

Other Alberta Government Publications

1986 List of Publications ( Alberta Research Council)
A Technical Service to Industry (Alberta Research Council)
Alberta Facts '86 (Treasury, Bureau of Statistics)
A Research and Development Network - The Alberta Committment (Technology, Research and Telecommunications)

Government of Canada Publications

ABC Assistance to Business in Canada (Federal Business Development Bank)

BOSS (Business Opportunities Sourcing System) (Department of Regional Industrial Expansion)

Businessmen's Directory of Canadian Trade Representation Abroad (External Affairs)

So you want to Export: Department of Regional Industrial Expansion

1) Making a Market Survey
2) Tips for your Trip
3) Your Reference Sources

Minding Your Own Business Vols. 1 & 2 (Federal Business Development Bank, Management Services)

Patents: Questions & Answers (Consumer & Corporate Affairs)

Sources of Venture Capital in Canada (Department of Regional Industrial Expansion)

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Calgary 1988
Jeux Olympiques d'hiver